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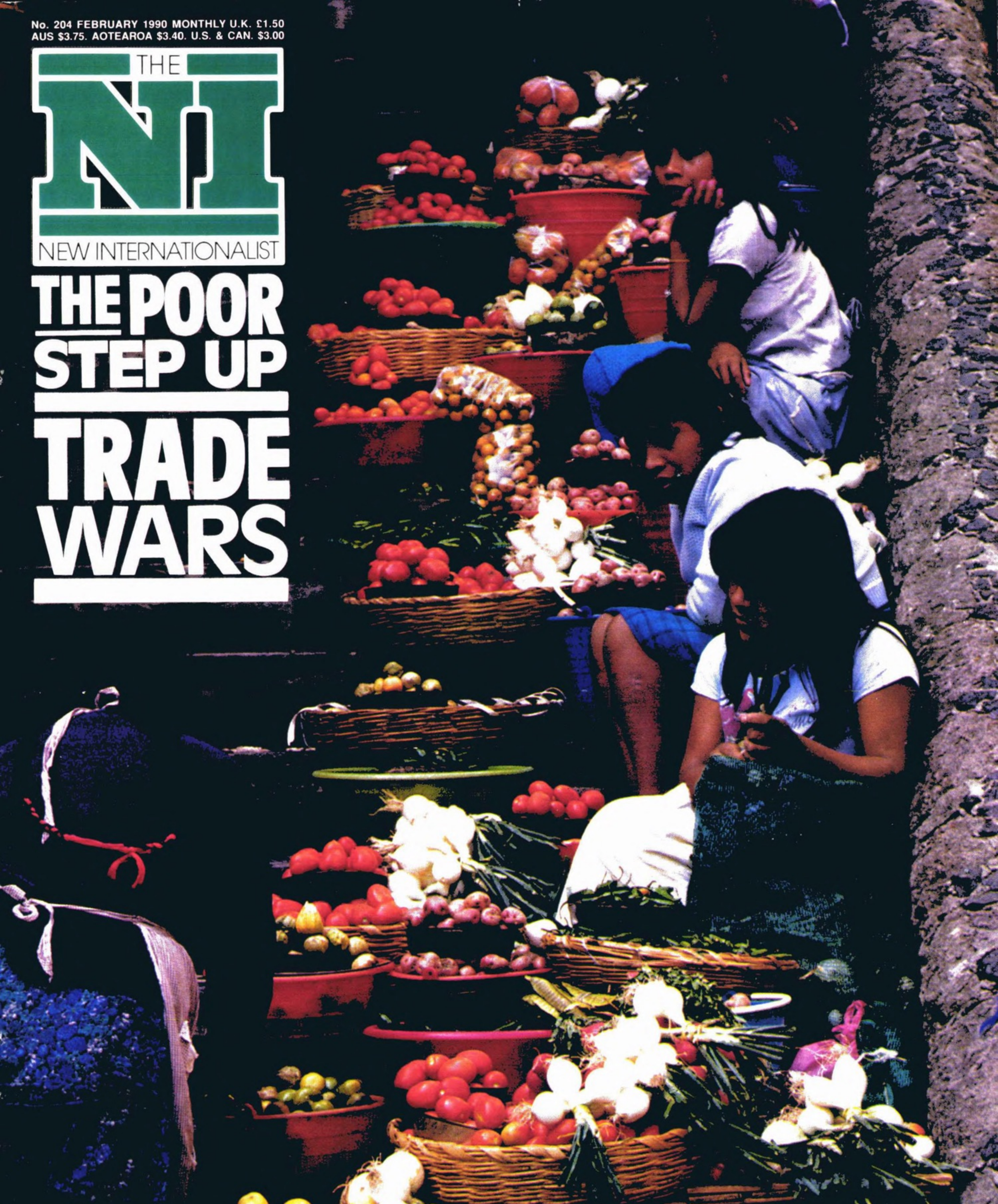
THE NEW INTERNATIONALIST

THE POOR STEP UP

TRADE WARS



NEW INTERNATIONALIST

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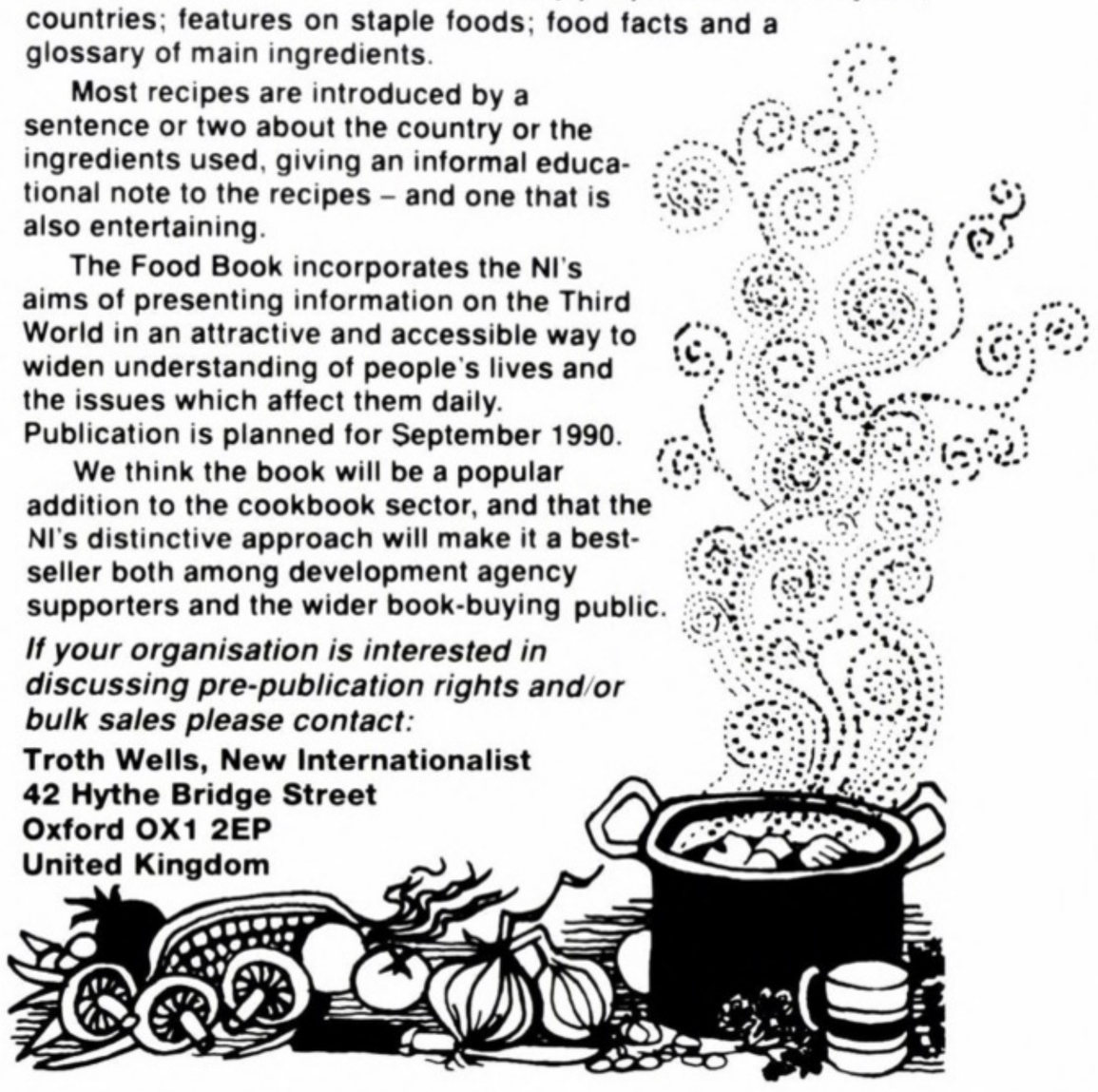

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THE NI NEW INTERNATIONALIST

ISSN 0305 9529

New Internationalist exists to report on the issues of world poverty and inequality; to focus attention on the unjust relationship between the powerful and powerless in both rich and poor nations; to debate and campaign for the radical changes necessary within and between those nations if the basic material and spiritual needs of all are to be met; and to bring to life the people, the ideas and the action in the fight for world development.

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TRADE! There, I've said it. Have your eyes glazed over? Are you suppressing a quiet groan? You need not feel alone. It's happened to a lot of people I've had to say it to over the past few months. And, all right, it happened to me too.

Trade is hopelessly mundane. As mundane as buying cat food from your local shop. There's nothing special about world trade, which brings you the tin your cat food comes in. But without it we would all be sunk. There'd be no **NI** for a start.

For good or ill, trade has changed the world, and keeps on changing it. Coffee first came from Africa and went with trade to be produced in Latin America. Cocoa first came from Latin America and went with trade to be produced in Africa. The great sailing clippers and steamships of the nineteenth century didn't just carry tea or machines. People, their cultures and aspirations, travelled with them too – many of them at the point of a gun.

In this century, astonishing technical achievements have linked the far corners of the earth into networks of instant communication that our great grandparents could not even have imagined. Almost anything can now be made almost anywhere. Despite the best endeavours of some to prevent it, ideas and understanding spin ever faster around the globe and interact with each other to create new possibilities. There's no going back, and I for one would not wish to.

This edition of the **NI** is my first. For the past 15 years or so I've been working with homeless people in the East End of London. Before that I worked for several years in Latin America, leaving just before the military coup in Chile, where my daughter was born. I felt then that the distance between the oppressed in Britain and Chile was not so great, and I still feel that now. All too often it is despair that seems to bind people together. But as I write this, elections have just taken place in Chile: hope is always springing up when you least expect it.

Just a few months ago, trying to get to grips with world trade seemed like a pretty hopeless task. But for me, at any rate, it has turned into a voyage of discoveries – all the more vivid because they were unexpected. And, to my complete surprise, my sense of the world as one place has grown sharper, too. I've come out of the experience feeling just a little bit more enlightened, and quite a bit more enraged; a whole lot better than the glazed eyes and groans I started out with. If something even remotely similar happens to you then this edition will have achieved its ambition.

I can't reasonably finish without saying that 'my' first magazine for the **NI** owes many of its better parts to the co-op that has produced them. I've had to lean heavily on my colleagues, on their experience and patience. One of the things that attracted me here in the first place was the fact that it is a co-op. But ideals don't always translate into practice, do they? In editing this magazine I feel I've got as close to seeing ideals and practice brought together – in discussions, sharing ideas and sorting out difficulties – as I could ever reasonably expect. For me at least, that in itself has made the experience worthwhile.

David Ransom

David Ransom
for the New Internationalist Co-operative

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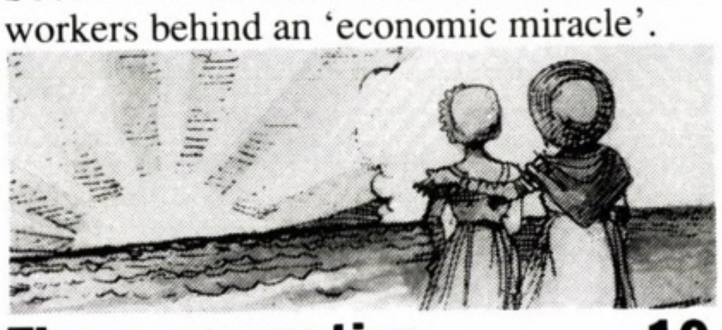

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Front cover photo : **Liba Taylor/Hutchison Library**

LETTERS

Muck raking

Your issue on *Green Consumerism* (**NI 203**) was a classic case of a magazine hedging its bets. On the one hand we should buy green; on the other hand we should not take the whole business too seriously. Where was the incisive political analysis I

have come to expect from the **NI**? Dare I intimate that perhaps the green issue is a bit too close to home? If the problem is over-consumption, then the magazine should have argued for reducing what we use. If the problem is capitalism, the profit-motive should have been scrutinized with an emphasis on worker power. Either way green consumerism rapidly degrades into compost.

Eileen Rawlins,
Ontario, Canada

Exclusive kingdom

I read with interest John Shelby Spong's article on the Christian approach to homosexuality (**NI 201**). I wholeheartedly agree that the church should not condemn gays and lesbians, but rather take up our calling from Jesus to love them as a part of God's creation. But I believe that it is contrary to God's will for the church to publicly affirm and bless such unions. For example Paul warns the church that those 'effeminate by perversion' and homosexuals shall not inherit the kingdom of God. And in Genesis we read that when God created the world, He did not want man to be alone and so decided to create a companion for him. When it was done, man said, 'She shall be called WOMAN'.

Bill Peters
Bristol, UK

NI welcomes your letters. But please keep them short. They may be edited for purposes of space or clarity. Include a home telephone number if possible and send your letters to the nearest editorial office. The address is inside the front cover.

Eye opener

I would like to congratulate you on your *Homosexuality* issue (**NI 201**). It contained a lot that was new to me regarding gay people. I can see that it will do much to enlighten many. In the UK particularly, I can see it bringing the light of knowledge to people of ethnic minorities who may be gay but suffer prejudice from their own subcultures.

Also, I hope it will open the eyes of the white people who currently form the majority of the UK gay community. Unfortunately lesbians and gay men tend to be as racist as anyone else. Some even see homosexual expression as being the privilege of materially successful people in a 'modern' society.

David J Williams (Lesbian and Gay Switchboard),
West Midlands, UK

Rare sanity

As a Community Education Organizer I would like to congratulate you on the November issue (*Homosexuality* **NI 201**). Rarely have I seen such a sane, straightforward and unbiased set of articles about any subject, let alone one which usually arouses such passion. I was particularly struck by the clarification of the oft-quoted arguments against homosexuality in the Christian tradition and by the examination of the way politicians of all persuasions have used prejudice to gain power and control. Combatting prejudice is a major part of the work of someone in my position and I shall certainly make the magazine widely available.

Steve Reader,
Oxford, UK

Abnormal query

When I read that you were doing a study of homosexuals (**NI 201**), I thought it was my chance to learn about the problem. I was wrong. Most of my questions went unanswered. For example, what exactly produces this abnormality? Is it increasing in popularity in this country and worldwide? If so why? I want to know more.

A H Morley,
Gwynedd, Wales, UK

God's plan

Congratulations on your gay issue (**NI 201**). Those who see homosexuality as an abomination are suffering from a delusion. Gay people do not choose their sexuality; it is just part of how they are made. And it is not wrong. To love and care for your fellow beings – whether of the same or opposite sex – is life's essence. How can I regard my sexuality as an abomination? It is *mine*. It is creator-given. It will not be changed or go away; it is part of God's plan. Gays claim the right to live as they choose, and to be respected for the human beings we are.

Name and address withheld by request

Poison cocktails

Bruce Watson's letter (*Letters* **NI 201**) is very patronizing. As a child I lived in Morocco and Mozambique, and in common with many colonial children, I sensed that the servants were infinitely wiser and more dignified than the guests at my parents' cocktail parties. These simple warm people were not happier or better than us – but neither were they unhappier or inferior. I have never been able to see what makes 'our' way better than theirs. And like my mother, I share the view that we have no business flogging unnecessary poisons to people who are too nice to know what we are up to.

Edith Crowther,
London, UK

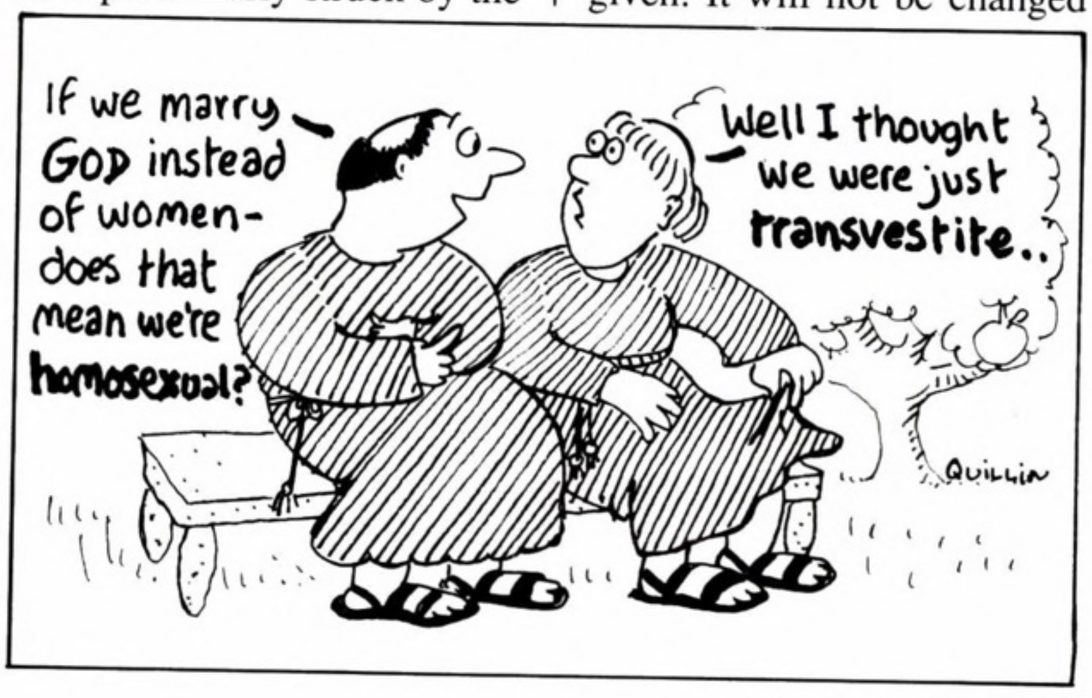
Warm greetings

As inhabitants of the South Pacific – where earthquakes regularly raise land from the sea – we were delighted to hear of the arrival of 16 million people all squeezed into 50 square kilometres of the Enaye Islands (*Country Profile* **NI 200**). It is a relief to know that 'the Enaye people will not be deceived for much longer' – but what about all those newly-formed 'Aid to Enaye' action groups?

Catherine Barland,
Wellington, Aotearoa/New Zealand

Camel power

Thank you for your brilliant exposé of the brutal pseudo-colonial repression of the Enaye people (*Country Profile* **NI 200**). May I ask all your readers to write to their local MPs and urge withdrawal of recognition by world governments of the illegitimate Trein regime, and to put pressure on this regime by boycotting our main export – camel fat – used to make such diverse products as deodorants, toothpaste, chewing gum and laxatives.



Cartoon : Viv Quillin

If you receive this letter, it will only be because of the courage of my top scout who must paddle his canoe under cover of darkness to post this letter in the neighbouring Solomon Islands.

Diva Redaer (Chairperson for the National Organization for the Liberation of Enaye - NOLIE), Victoria, Australia

Cheering words

I have just read your 200th edition. It is a wonderful document, a fitting tribute to the 17 years of your paper's life and an inspiration to those of us still in the infant years of our publication. Bravo.

Anton Harber (Co-editor), The Weekly Mail, Johannesburg, South Africa

Tragic injustice

Your *Palestine/Israel* issue **(NI 199)** made me very angry. The Palestinians have been done an enormous injustice. Good God – can you imagine attempting to write a balanced issue about apartheid? Also, why do you try and equate the 'tragic histories' of Palestinians and Jewish Israelis? The tragedy of Palestinians has been created exclusively by Zionism and its supporters, whereas the injustices perpetrated on the Jews have nothing to do with Palestinians.

Roshan Pedder, Surrey, UK

Apartheid spirit

One aspect that wasn't covered in your *Palestine/Israel* issue **(NI 199)** is the relationship between South Africa and Israel. Israel makes a mockery of its anti-Nazi stance and the memory of Holocaust victims when it trades with and sells arms to 'the spiritual children of Adolf Hitler'.

John Watkins, Auckland, Aotearoa/New Zealand

Left out

Congratulations on the September issue (*The Palestine/Israel conflict* **NI 199** It was a remarkable achievement, although the Universities' Educational Fund for Palestinian Refugees was not mentioned. We send volunteers to help Palestinian communities in the Occupied Territories, Israel and Jordan, and our address is: 12 Helen Road, Oxford OX2 ODE.

Eleanor Aitken Cambridge, UK

See thyself

Countless US Catholics whose votes have kept reactionary governments in Washington for decades, remain oblivious to the butchery in El Salvador and elsewhere in Latin America. While so-called Communist countries are now engaged in serious reforms, few Americans recognize the need for radical economic and political change at home.

Chris MacLeod, Porthill, US

The views expressed on the letters pages are not necessarily those of the NI.

LETTER FROM LA PAZ

Tickets to salvation

Susanna Rance writes about a new religious experience which is rocking and rolling hope to Bolivia's poor.

PEOPLE of all ages queued outside the huge, striped tent. Gradually the bustle and the music drew us in out of the cold night air. Hoisting the children onto our shoulders so they could peer over the sea of heads, we found ourselves witnessing a 'revival show' with energetic marketing techniques which seemed strangely out of place in the backstreets of a La Paz shanty town.

Tidy, blue-jeaned youths roused the public to clap and sing along to hymns set to fast rock rhythms. The close, steamy atmosphere became charged with enthusiasm as collection bags grew heavy with money; cassettes, stickers and 'cost-price' bibles sold like hot cakes by every tent pole.

After two hours, we felt stunned by the bombardment of music and emotion which drew several of those present into a state of trance. Swaying, trembling and weeping, many were already possessed by the time the star of the show – a Pentecostal preacher – leapt onto the stage to grab a microphone, impressively agile despite his tight suit. 'Let the Spirit touch you!' he roared, pointing aggressively at one spectator, then another, swearing that those who believed would be freed of their afflictions.

The blind, lame and sick fell into line and shuffled onto the stage to be saved and cured. 'Illness comes from sin and ignorance,' shouted the preacher. 'Out! Out! Out!' he yelled at the devils inhabiting his timorous guests, who were then ordered to move their wasted limbs and see with their sightless eyes.

'Let's hear it for Jesus!' he screamed finally, sweating under the floodlights. The show was a roaring success. People left in high spirits helping the blind and lame out into the muddy field and down the unlit shanty-town alleyways.

Pushing our way out, we ran into Dona Elba from our corner shop, her sturdy two-year-old slung across her back, three older kids in tow. 'Good, wasn't it?' she beamed. 'I joined to get my husband converted, to make him stop drinking. They say it really works.' She trudged off back to the shop, her shawl flapping in the wind, the children trailing behind to pick up leaflets strewn on the ground.

Like most people in La Paz, Dona Elba regularly practices native Aymara rites. She pours libations of alcohol onto the ground for the Earth Mother, the *Pachamama*; reads coca leaves to see what fate has in store for her; and burns offerings of herbs, incense, sweets and animal fat to be consumed by the spirits in times of special need. But, faithful to tradition, she also got married and had her children baptized in a Catholic church.

Salvation, for many Bolivians, is not an exclusive affair: allies in the struggle for survival can be sought in various spiritual quarters, without betraying one's basic beliefs. Bolivia has been a Catholic nation since colonial times. But most of the population also worship native deities, and over 400 churches and esoteric groups compete with the official creed for souls.

The 'Vice-Ministry of Worship' admits the existence of 180 sects which have eluded official registration and control. Some of the more unconvincing are the Adorers of the Navel (of Nepalese origin), the itinerant Zombies for Bob, Seeing is Believing, and Ovnibol or unidentified flying object worshippers who hang out in the historic mining town of Potosi.

'These groups go against the country's moral norms,' complains Vice-Minister Pedro Martinez, who organized the religious census. 'They conspire against family values, children's obedience to their parents and good morals.' His department tracks down acolytes of these clandestine groups and takes steps to deal with them – like closing down vegetarian restaurants reputed to be facades for obscure activities carried out by the previously deported Hare Krishnas.

Other Catholics have a more self-critical attitude to the salvation boom and to the rapid growth of Pentecostal churches. 'Where are we failing? That's the question we must ask ourselves,' muses Father Franz Damen, who runs the Catholic Church office which deals with ecumenical matters. He says that a scarcity of priests and the rigidity of Catholic dogma have alienated native congregations. Those on the bottom rung of society are in search of a warmer, more personal faith which offers emotional release, participation and a concrete answer to their problems. 'The new sects seem to be offering something we aren't able to give,' admits Father Damen. 'Our Church ought to be what many of the sects are now: the religion of the poor.'

Susanna Rance is a writer and researcher who has lived in Bolivia for several years.

The rich world is trying to ditch the poor while world trade binds us closer together. David Ransom explains the conflict.

THE POOR STEP UP

TRADE WARS

Photo : Bruno Barbey

PUNTA del Este is an enchanted enclave of fantastic wealth, much of it of doubtful origin. For two months after Christmas every year the doings of the rich and famous fill the media with events few local people will ever witness themselves. For though Punta del Este lies at the heart of Uruguay, it is foreign territory to the people of that country. They live in a land wrecked by the progressive collapse of its foreign trade in wool and meat over the past 30 years. A uniquely gentle, progressive society, where nothing much ever happened, fell to tyranny, torture and impoverishment as a result.

I visited relatives in Uruguay in 1987, as unaware as anyone else that, the year before, the functionaries of world trade had repaired to Punta del Este, there to launch the 'Uruguay Round' of the world's most important trade negotiating body, the General Agreement on Tariffs and Trade (GATT). No doubt the intention was commendable – the notorious 'Rich Man's Club' that is GATT had finally made it to the Third World. But by the time the Uruguay Round of negotiating is completed at the end of this year, all the signs are that it will have addressed itself no more closely to the real challenges facing world trade than those visiting functionaries had to the fate of the Uruguayan people in 1986.

How to get a handle on trade? How to rescue it from the doldrums of public interest in which it has languished for so long? Try this. Try thinking of the global economy as an organism. Its brain and nervous system, exercising the power of decision, are capital and finance. The muscle is our labour. Trade is its bloodstream, sustaining its life, supplying its limbs with energy – but carrying infection too if the organism becomes diseased.

Two of the features of this global organism stand out. The first is its astonishing growth. This growth has for the past 200 years nourished itself on a suitably mundane food – industrial manufacturing. The centre of this manufacturing has shifted constantly, from Britain to the United States to Japan and West Germany, but its tentacles have spread, since the last World War, to places like Hong Kong, South Korea, Taiwan and Singapore. Now Thailand, Malaysia, Morocco and tiny Mauritius are joining in. Giants like Brazil and Mexico have been trying for some time to get in on the act. By the end of this century, India, Pakistan and China may be with them too, hitching up one-third of the world's population. And, increasingly, what links these places together within a

Photo : Maggie Murray/Format

Dealing with world markets and new possibilities in the Hong Kong and Shanghai Bank.

single, 'global' market, is world trade.

The second feature of the organism is an aspect of the first. For although industrial manufacturing and world trade generate enormous wealth, they also devastate large sections of the populations over whom they hold influence – from the urban slums of nineteenth century Britain to the pervasive poverty within and around the industrial cities of today. Here, as elsewhere, they prey upon those whom they exclude.

According to the World Bank, 'some 60 low- and middle-income economies have suffered declining real GNP per capita in constant prices'.[1] Translated, this means that half the countries in the world are getting poorer. They are scarcely participating in the global economy. They have escaped the political, but as yet not the economic, bonds of the traumatic colonial era, when the sense of the world as one place first began to grow. What characterizes these colonial bonds is reliance upon the export of primary commodities (the things that go to make other things).

Everyone knows perfectly well that dependence on primary commodities is not good for your economic health. The natural resources of your country disappear with the minimum possible benefit to you. Once commodities reach world markets, they are subject to wild price fluctuations and speculation, making it impossible to plan. And, over time, the value of primary commodities just keeps on falling, relative to other prices. If you want to make a real profit you need to be in the business of manufacturing, of converting raw materials into marketable finished goods.

All this has been known for a very long time, and certainly since the Great Depression of the 1930s. When recession hit the world economy again in the early 1980s, commodity prices plummeted once more. Countries that still depended upon them for their economic life found the only, readily available alternative was to borrow to make up the difference. So, to a greater extent than is generally recognized, the commodity crisis led to the 'Third World Debt Crisis'.

The debt crisis may eventually be overcome. But, unless something radical happens soon, the problem with commodities will remain. So the commodity-dependent Third World countries struggle on, slowly dying, infected rather than nourished by the arteries of world trade.

But if the global economy is indeed a single organism, this decay of almost half its form threatens the life of the whole. It is a cancer. And it is driving people in despair to destroy the very planet on which they, like the rest of us, depend.

What is new, and truly alarming, about the current situation is that one half of the world is trying to cast off the other, like a reptile shedding its skin. The poor have come to seem dispensable to the rich. As one commentator put it, after the almost manically 'up-beat' annual gathering of the World Bank and International Monetary Fund in Washington last autumn: 'the big industrial nations have convinced themselves that they have done all that they can'.[2]

What, then, has GATT got to say on such topics? Pick up its latest Annual Report and you find expressions of regret but absolutely no practical proposals to meet the real challenges facing world trade. You get TRIPs and TRIMs (see the *Glossary* below), but no suggestions whatever, not even of the most reactionary kind as to why this glistening 'engine of growth' has so patently failed to couple itself up to the needs of more than half the globe. Even the ice-cream trade between Canada and the US can generate more heat at GATT than the prospect of another decade as disastrous for the Third World as the last one.

GATT was founded in January 1948. The original intention had been to set up an International Trading Organization as a specialist agency of the United Nations. But the dominant industrial nations, flushed with victory in the War, decided to keep the rich pickings of trade to themselves. Only 23 countries, those 'responsible for most of the world's trade', many of them with colonies still in tow, signed the original agreement.[3]

It was a very clever fix. The basic principle was that each 'contracting' country had to offer all the other contracting countries the same terms as the 'Most Favoured Nation' among its trading partners. This would prevent a return to the disastrous 'dog-eat-dog' protectionism of the 1930s that brought mutual ruination to the rich and led to war. By and large it has succeeded in this aim, and we should be grateful for that at least.

But it was a strictly business deal, a bargain that's been kept unchanged ever since. As Mr Arthur Sunkel, Director-General of GATT, recently told a gathering at the Wharton Business School in the US: 'GATT's future will depend mainly upon whether its activities benefit, as they have until now, the business community, who are the actual users of the trading system. This is the link between GATT and the "real world".'[4] The real world of the peasant or the shanty town remains way out of sight, out of mind.

Nor must you go away thinking that GATT's stance against protectionism, its advocacy of free trade, is born of principle. On the contrary, its industrialized member countries operate tariff and quota systems that discriminate against imports

GLOSSARY

GATT – General Agreement on Tariffs and Trade.

GNP/GDP – Gross National Product/Gross Domestic Product. GNP measures the total income, whether at home or abroad, of residents of a particular country. **GDP** excludes income from abroad.

GSP – Generalized System of Preferences. Instituted by GATT in 1968, giving some Third World goods preferential treament.

ICA – International Commodity Agreement. Agreements among producers to limit production and force up prices. Most have now collapsed.

LOME CONVENTION – Originally signed 1975, renewed 1979 and 1984, due for renewal 1989/90. This regulates the trade access to European Community of 60 African, Caribbean and Pacific (ACP) countries, mostly former colonies.

MFA – Multi-Fibre Arrangement. Established in 1974 to protect rich countries from Third World competition in textiles by limiting imports. Due for renewal in 1991.

MFN – 'Most Favoured Nation'. Each member of GATT must treat other members as well as its most favoured trading partner.

NICs – Newly Industrializing Countries such as Taiwan and Singapore.

TRIPs – 'Trade-related aspects of Intellectual Property protection', e.g. computer and pharmaceutical technology, counterfeit goods. A current preoccupation of GATT.

TRIMs – 'Trade-related Investment Measures', or how investment policies and aid are sometimes secretly used to promote national trading interests.

UNCTAD – United Nations Conference on Trade and Development.

of 'cheap' manufactures from the Third World. So long as only countries outside the 'club' suffer, that's OK by GATT.

The net effect on the poor is to discourage them from trade in manufactured goods. They are encouraged instead to produce those primary commodities, like coffee or mineral ores, for which there is either no substitute or no competition in rich countries. In other words, this system seeks to maintain the old colonial order, in which the poor produced primary commodities and bought manufactured goods in return. It is precisely the reverse of what is really required.

So blatant was this fix that the United Nations decided to establish its own Conference on Trade and Development (UNCTAD) in 1962. By 1968 it had convinced GATT to introduce a Generalized System of Preferences giving better treatment to at least some of the Third World's manufactured goods. But even today this System covers just 11 per cent of total imports by the rich from the poor.[5]

UNCTAD spent the better part of the 1970s and 1980s trying to establish a Common Fund for Commodities. The idea was to create a fund to stabilize commodity prices. Because neither consumers nor producers like speculation and price instability, this seemed like the most obvious area of common interest between rich and poor. But no. The Common Fund only came into being in 1989: too small and poorly supported to stand much chance of influencing commodity markets at all; too late to avoid the catastrophic collapse of commodity prices in the early 1980s.

Marginalized by GATT, UNCTAD has been undermined and discredited. It spends $36 million on its offices and staff, and just $1 million on 'programmes to promote and expand world trade'.[6] I recall how in 1972 UNCTAD gathered in Santiago, Chile, where I was a student at the time. Natty little machines zipped up and down the streets of the city centre painting new white lines in honour of the visiting dignitaries. A protest demonstration outside the specially constructed, earthquake-proof conference centre resulted in tear gas being sucked into the air-conditioning system and the functionaries of world trade making a rare, unscheduled and inarticulate appearance on the streets of Santiago. Nothing much is remembered of what the conference was about. The conference centre itself became a landmark of a sort – as the government seat of the Pinochet dictatorship.

In the absence of any meaningful intervention by the UN, there is no-one working to promote a genuine, global approach to critical questions of world trade. What makes the situation so intolerable is that the way forward has been known and clear to everyone who has cared to look at it for decades.

A genuinely global approach to world trade would, first and foremost, seek to enhance the ability of poor countries to develop their manufacturing industry, selling on world markets. This would involve the kind of initial protection always required for 'infant industries'. Every single country that has ever launched itself successfully into industrial manufacturing has always had to do so, initially, behind some kind of protectionism – Japan preserves this approach to the present day. Yet GATT requires of the increasing number of poor countries seeking membership in desperation, that they disavow all forms of protectionism.

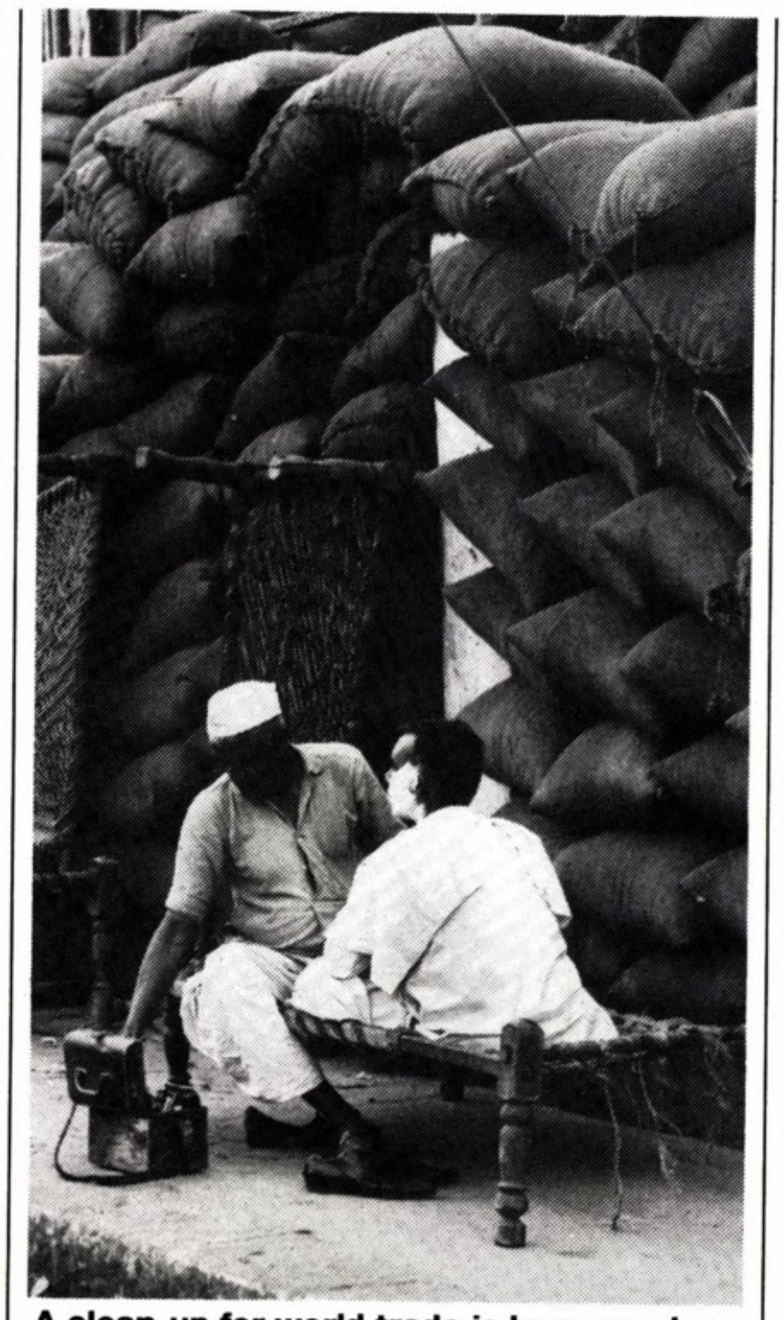


Photo : Claude Sauvageot

A clean-up for world trade is long overdue.

Once manufacturing had been made easier for the Third World, it would be possible to return to the issue of primary commodities. Not many people, and certainly not those of us who like coffee but could never grow it in our own back gardens, would seriously suggest that Central America, or Africa, must stop producing coffee altogether. Apart from anything else, that would be to revert to the sort of prescriptive arrogance that has so bedevilled development.

But the total dependence of many countries on primary commodity exports has to be reduced – and if the leap to manufacturing were made easier, this could at last happen. The cut-throat competition between commodity producers could be halted and perhaps even reversed. And an effective Common Fund for commodities might then become a practical possibility.

Sensible trade arrangements would feed into, rather than subvert, the more vigorous economic aid that is still essential for the poorest. Perhaps then the rich would finally get out of the habit, born in the nineteenth century, of giving with one hand and taking away with the other, transforming one half of the world into a gigantic object of charity in the eyes of the other.

But who would be launching this Trade-Related Action Programme (in a world obsessed with acronyms, why not a TRAP to join the TRIPs and TRIMs)? The truth is that both GATT and UNCTAD are a compromised part of the post-War settlement and have proved unequal to the task. They have failed to mobilize the internationalist potential of world trade and left it as a monument to inequality and inhumanity. They have to go.

Now that the end of the Cold War is in sight, and even the most 'cautious' of the protagonists on the world stage are talking of tearing up the script and starting again, the time may finally be right for a United Nations International Trading Organization. That in itself would take us a step closer to the United Nations we really deserve, one that would be a political match for the power of the global economic organism. The end of the East-West divide could also be a unique opportunity to bridge the North-South chasm.

This is not a fail-safe route out of the disgusting poverty that wrecks the lives of so many of us. But nor is it an invention of idealism – it is to some extent already working. Let us not forget that immediately after the last World War, the two most successful economies of today, Japan and West Germany, were among the most devastated places on earth. Both have become prosperous by manufacturing for world markets. So too have the Newly Industrializing Countries – and one of those, South Korea, was also destroyed by a terrible war no more than 30 years ago.

South Korea and Taiwan were probably helped along the way by strategic US aid in the 1950s. Hong Kong, Singapore and Taiwan again perhaps had a kick start from rich people fleeing revolutionary China. with their capital. This shows aid and investment can change things. But the real lesson of the Four Little Tigers is that there are chinks and openings in the Great Wall of world trade waiting to be exploited. Poverty can be overcome.

The poor are stepping up. The means for them to do so are available, but the functionaries of world trade and rulers of rich nations do their best to hold them out of reach. When you become aware of this, the present state of affairs seems all the more intolerable. That is why it is in the interests of the powerful that you ignore world trade, that your eyes continue to glaze over at the mere mention of the words. Trade wars are for real but, invisible as it may be, knowledge could be the weapon that decides their outcome. □

1 *World Development Report 1989*, World Bank. **2** *Financial Times*, UK, 27.10.89. **3** *What it is. What it does*, GATT, 1989. **4** GATT Press Communique, 19.10.89. **5** *History of UNCTAD 1964-84*, UNCTAD, Geneva, 1986. **6** *Lords of Poverty*, Graham Hancock, 1989.

The global economy, ruthless and dispassionate, often resembles a machine. It can offer a pathway out of poverty, if you embrace the harshness of industrial manufacturing for world markets. But the prison walls of poverty, built by empires long since dead, and buttressed by a creaking world order, still stand around the commodity producers of the Third World. Their release is overdue.

Photos (from top) : Philip Wolmuth; Mike Goldwater/Network; Brenda Prince/Format.

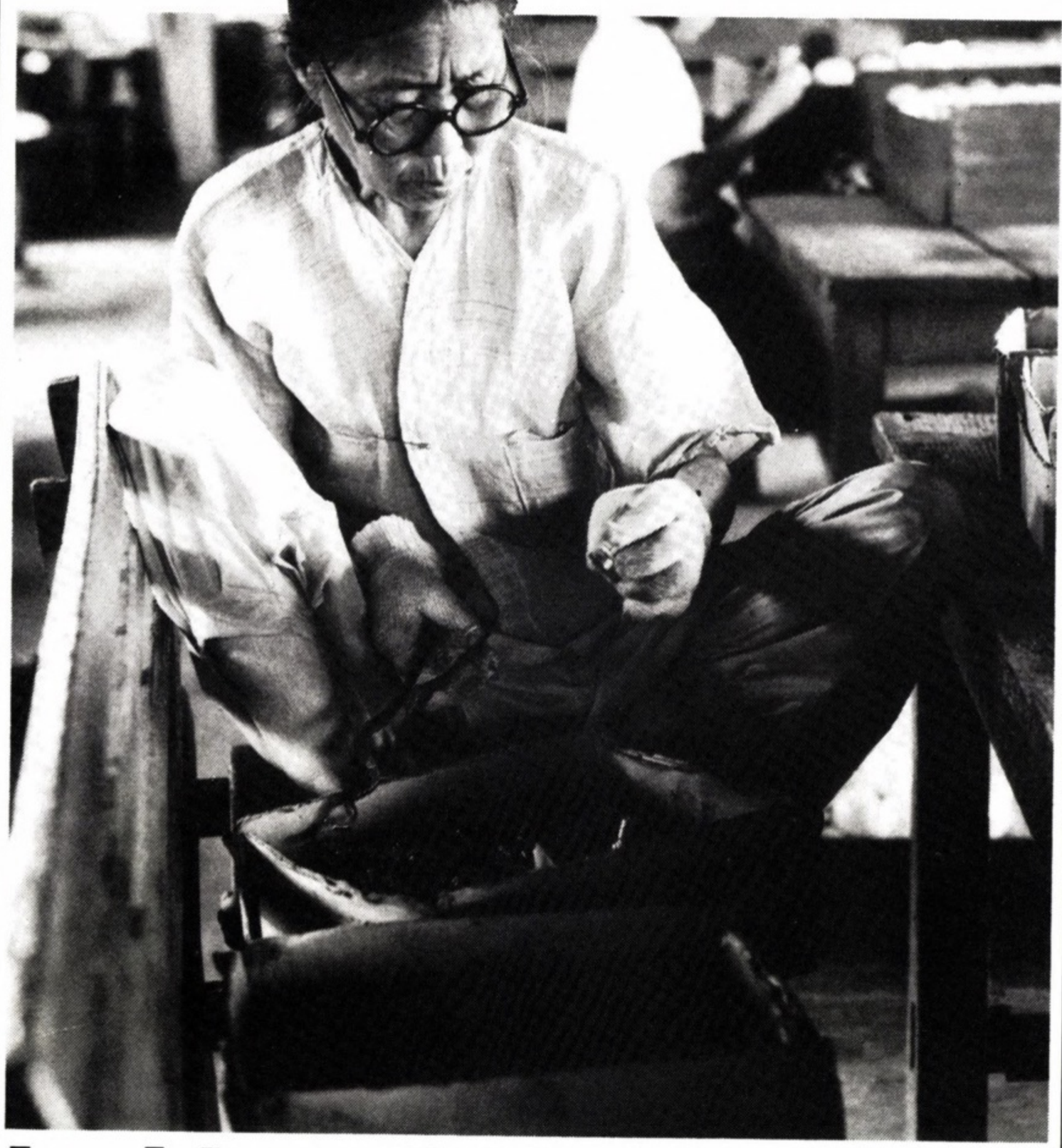


Photo : International Labour Office

Inside a little tiger

Hong Kong, Taiwan, Singapore and South Korea are often called the 'Four Little Tigers' because of their incredible success as exporters. Joe Freeman spends a day inside South Korea's biggest car plant to see what life is like for the workers behind a Third World 'economic miracle'.

7.30AM. Waiting at the bus stop outside the vast Hyundai industrial complex in Ulsan, in the south-eastern corner of South Korea. The first bus is full. Not even a few inches of standing space. The second bus is full too. The man in the queue next to me begins to look anxiously at his watch. All around, young women and men in grey uniforms hurry to work, on foot, by bicycle, by bus. We are heading for Hyundai Motors, a couple of miles down the road.

There is space on the bottom step of the third bus. We gradually squirm our way to the centre as it moves off. Someone with a seat offers to hold my bag on his lap. I feel conspicuous, out of place with no uniform and no assembly-line job to go to. It is morning rush hour, and I am squeezed among the people who have fuelled the engines of South Korea's 'economic miracle' for the last two decades. Most of Hyundai's 100,000 workers are employed in Ulsan, and the majority of them seem to be on the streets this morning.

The bus travels through the company town built around the plant. All the factories belong to Hyundai, but so do the schools, houses and shops. We pass under the concrete arch which marks the exit from Hyundai Heavy Industry. Company apartment blocks line one side of the road. Washing hangs from window ledges and balconies. Each identical block has a large number painted in black on the side; once the number reaches into the 20s or 30s, the counting starts again. I wonder how a visitor unfamiliar with the area ever manages to find the right address.

A Hyundai primary school is on the left, followed by the 'Hyundai School of Foreign Languages'. On the other side of the road, trade unionists distribute leaflets to workers as they enter Hyundai Engine. The road reminds me of a main street lined with department stores – every plant is like a different store. Through the gates of each plant complex I can see not cosmetics or household goods but ranks of factories, offices, car parks, test tracks. Above them are forests of cranes reaching high into the sky, all adorned with the name of the store – Hyundai. We pull up by the 'Welcome to Hyundai Motor Company' sign, and elbow our way off the bus.

The bus ride had felt strangely familiar. I was brought up in a motor-industry town where the air rang with sirens marking the time for workers in their thousands to enter or leave the car-plants. The sight of early-morning workers swarming into industrial buildings does not seem 'unique' or 'exotic', even in this historically isolated country: it is common to heavily industrialized countries the world over.

Hyundai is now one of the biggest *chaebols*, or domestically-owned concerns, in Korea, worth over $20 billion. Founded in the mid-1950s after the Korean War by Chung Ju-Yung, who had a poor background and only high-school education, it is now a vast conglomerate of 27 companies. It makes computers and elevators. It has credit, construction and electronics projects. It makes over half the country's new cars and has sales reaching over twice the value of its nearest competitor. And it is on the move internationally – it has opened a production plant in Canada.

Kim Naw Woo, our guide around the car plant, is in his early 30s and taller than most Koreans. At the outset he is quite formal, but he soon relaxes and becomes as convivial as other Koreans I had met. He leads us to the car production-line.

My senses are confused by the blur of orange and yellow robots twisting, turning and spraying sparks into the air. Workers repeat welding jobs on the outside of the car, or climb in and out to rivet the dashboard or stretch the upholstery into place. Alleyways run between the lines, just wide enough for small trucks pulling parts around the plant. I keep an eye out for them. They don't stop for visitors. The assemblers work hard, through their cycles of repeated welding, reaching and shuffling movements, but the pace is not so fast that it prevents snatches of conversation above the continuous noise.

The engine plant is even more noisy and there is an oily smell in the air. This is where Kim works. He is clearly proud of his work. 'I am a trained technician, and can run this machine single-handedly'; he points to a machine 15 metres long. It contains at least three sub-machines.

'Hyundai employs an educated workforce, and gets good results,' he explains. 'I went to technical college, and enjoy working these big machines. My problem is that I am active in the trade union and this makes the company nervous. Sometimes they move me onto smaller

machines to keep me out of the way – but that work is so easy I could do it in my sleep!'

Midday. Queues form rapidly outside the canteen. 'The meal break is only half an hour so we need to eat fast to have any time to relax', Kim comments. Union members distribute leaflets to workers as they enter; the union is still quite new and there is no lack of interest. Hyundai's workers are tired of working long hours to earn the company's profits without reasonable compensation.

Choi Jin Kook, a friend of Kim's, joins us in the queue. I can smell the sweat on his grey jacket. The 'Safety First' patch sewn to his breast pocket is partly torn away. I ask about working conditions. 'They are hard, but there are more accidents in the small companies which supply parts to Ulsan.

'I earn 600,000 won ($950) a month,' he says, as we sit down, with rice, kimchi (hot pickled cabbage) and vegetable soup. 'That's not great and I have to work many hours of overtime to get it. But all the same, I think we are the best-paid manual workers in Korea. The union has been important – we had a 20-per-cent wage rise this year.

'It's enough to live on, but living conditions are not good around Ulsan. The company apartments are too small, and there are too many people in one small town. But then again it is because so many workers are here that we have forced the company to deal with the union.'

The conversation turns to the future. Will higher production targets mean new plants and more jobs? 'The company is talking of splitting the plants, moving parts to different areas of the country,' Kim replies. The 'Future Plans' section of the company brochure reveals that Hyundai has set up a company to build advanced robots, with the intention of using less labour-intensive production methods in the future. Hyundai workers may in the near future experience the problems of unemployment, new technology and work reorganization that workers in Western countries have faced already.

Lee Sang Bum, president of the Hyundai union, is a slight, mild-mannered man in his late 30s. He has worked in the plant for 10 years. He is the leader of the biggest factory union in the country but he's approachable and sincere. We sit and talk among trees on an area of grass just inside the main factory gates, where preparations are also in hand for a major union rally. A huge union banner, showing workers marching and labouring, billows in the wind behind the newly erected stage. Slogans on the banner bear out members' commitment to the union, as you would expect: 'Advance the Democratic Union' and 'If We Divide, We Shall Die'. But they also testify to a feeling for their work which seems rather strange to Western eyes: 'My Love, Hyundai Automobile'.

'The company is very anxious about the union,' says Lee, with a slight smile. 'It is true that things have moved fast – we tried to organize unions before 1987, but it was only in that year, as part of the nationwide outcry for more democracy, that we managed to form the union.'

'Our demands are for better workers' conditions and rights, and more democracy in the plant, the unions and the Government. It is not enough just to demand more pay: the company and the Government must be forced to recognize the real rights of workers. This is starting now – most of the plants in Ulsan now have unions.'

Lee is on the move, apologizing that he has to attend an urgent meeting. Things are changing, moving fast. No doubt the challenges currently facing both the company and its workers – labour relations, trade, overseas investments – will change too. But I get the feeling the union is here to stay. We return to the bus and this time have no problem getting a seat. The reason – it's only six o'clock and the evening rush hour doesn't start till eight. □

Joe Freeman is a trade-union researcher who specializes in international affairs.

Indian cars – a joke no longer

Muthu Krishnan is Chair and Managing Director of his family firm, UCAL Carburettors, in Madras. Neither he, nor his company, fits the Western stereotype of India.

A FEW years ago, Muthu Krishnan was attending a trade fair in England. He was asked if he could reproduce Victorian cast-iron pub furniture. No-one in the UK could do it any more. Nor, at the time, could he. But on his return to Madras he set up a furnace. Soon he was sending consignments of the furniture to England. It proved to be a very profitable business. He says that now, whenever he goes to a pub in England, the birthplace of the Industrial Revolution, it gives him enormous satisfaction to see his own contribution to its cultural heritage standing in the garden.

Muthu is a tall, powerfully built, sharp and amiable man. In addition to his business interests, he is also President of the Madras Motor Sports Club. He's been heavily involved in setting up India's first motor-racing track at Sriperumudur, 40 kilometres from Madras on the highway to Bangalore. This is the birthplace of Sri Ramanuja, the founder of the Visisthadwaitha school of philosophy. Muthukrishnan uses the race track to test his components, and sees the philosophy of quality and reliability in sophisticated products that he advocates spreading through India like the precepts of Sri Ramanuja.

He talks casually and confidently about his business, which employs some 600 people. 'I've been around for a long time,' he says, 'and I've never come across the sort of opportunities that are coming our way now, both in terms of growth within the country and also in exports.' He expects to send at least 30 container-loads of carburettors to the specialized Australian market this year, and also does a lot of business with Aotearoa/New Zealand. Now he's looking at Europe.

'Going abroad and selling brings a lot of sophistication into the company', he says. 'We are now starting to get "global". Many, many companies in India are doing this. The leading car manufacturer in India, Maruti, makes a Suzuki car. They've just exported 500 cars to France. Mico, the Bosch licensee in India, have been exporting back to Germany.'

For 30 years the Ambassador motorcar, based on Britain's Morris Oxford, remained almost unchanged as the standard Indian vehicle. But in the mid-1980s, the Indian Government changed tack. 'They decided to open the doors to modernization,' says Muthu. Japanese companies set up factories designed to produce components and whole cars not just for the Indian market but for world markets too. Now companies like UCAL are entering complex joint ventures and using the latest manufacturing technology.

New perceptions have opened up unexpected possibilities. 'We are now in a position to export know-how – to Africa, for example,' he says. 'We've set up a whole plant and run it for them for three years, taught the people how to do it. It's been a very challenging venture. In Europe or Japan the emphasis is entirely on mass production. But in India we still remember how to make smaller quantities of components, where labour and import substitution are important. I personally foresee a lot of growth in this area.'

Muthu now wants his company to increase the 'value added' element of its work by making sophisticated products like high-pressure pumps. He foresees a time when Indian companies will be competing successfully with South Korean and even Japanese industry. UCAL spend much more now on Research and Development and run their own training programme.

He talks approvingly of the way Indian Government policy has encouraged 'total manufacturing' rather than simple assembly of cars in India. 'After 30 years of industrial development, India today is at something of a crossroads,' he says. 'Come to the engineering trade fair in Delhi. You'd be surprised. Many Indian companies have achieved far more than we have.'

The THEORY *of* COMPARATIVE ADVANTAGE *as explained in* CONVERSATIONS ON POLITICAL ECONOMY *by* MRS JANE MARCET

MRS Marcet wrote school textbooks in the early 19th century using fictional dialogue as a way of explaining topics as diverse as *CHEMISTRY* and *PHILOSOPHY. When she* turned to *ECONOMICS* in 1816, she beat one of the world's most famous economists to an understanding of why countries benefit from *INTERNATIONAL TRADE.1*

MRS B *and her pupil* CAROLINE *are discussing a key trade of the day whereby* TOBACCO *from Virginia in the United States was exchanged for* CLOTH *from the mills of northern England.*

CAROLINE

IF WE SEND *the Virginians £1,000 worth of broad cloth they will send us only £1,000 worth of tobacco in return. The merchants will each make their profit but I cannot understand how the country gains in wealth from such traffic.*

MRS B

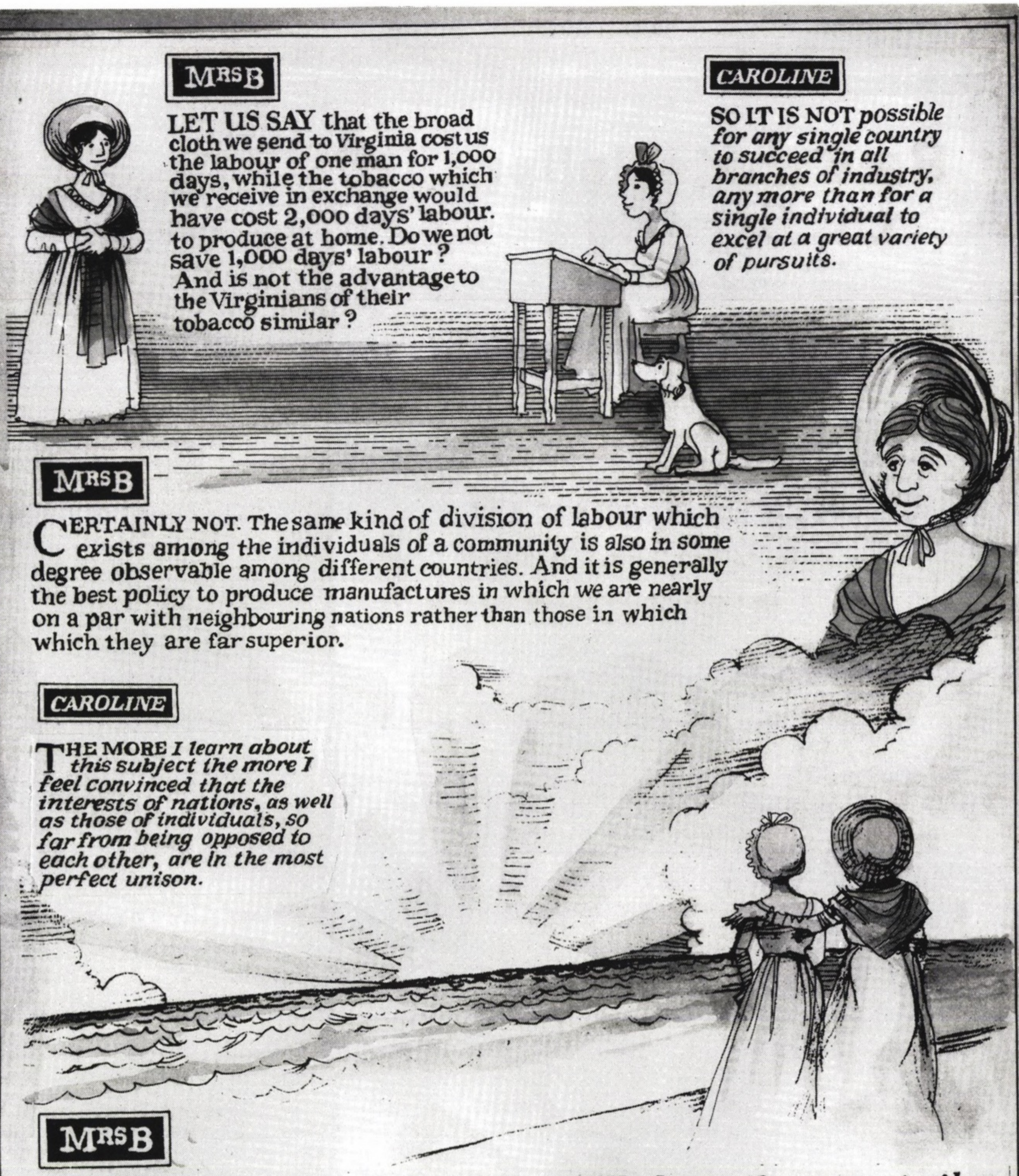
EACH of the commodities acquire an additional value on arriving at their new destination. The tobacco will be worth more in England because, not being cultivated here, it is more scarce and in great demand with us.

The broad cloth will be worth more when it reaches Virginia because, not being fabricated in that country, it is more scarce and in great demand there.

CAROLINE

BUT *if we cultivated tobacco* AND *fabricated broad cloth, and if the Virginians did the same, then each country would be supplied at home. And the expense of conveyance of the two cargoes exchanged would be saved.*

Illustrated by Clive Offley



1 Jane Marcet's *Conversations on Political Economy* was published a year before millionaire stockbroker and entrepreneur David Ricardo brought out his *Principles of Political Economy and Taxation*. This contained his 'Theory of Comparative Advantage', on which his great fame and influence as an economist were to rest. The theory still forms part of economic orthodoxy today. But the woman who grasped the idea first has been given no credit.

2 A modern version of the theory of comparative advantage in action would be Hong Kong's use of its cheaper labour to gain a trading advantage over Western industrial countries. It is unlikely, however, that Mrs Marcet's optimistiç view of world trade would be shared by developing countries who can find no 'comparative advantage' which will lead them out of the poverty trap.

Raw materialism

The world is suffering from a fatal illness. Dani Sandberg offers a diagnosis.

> The mine is 450 feet deep, and each man brings up about 200 pounds of stone. With this load they have to climb up the alternate notches cut in the trunks of trees, placed in zig-zag line up the shaft. A strong man, who is not accustomed to this labour, perspires most profusely with merely carrying his own body. With this very severe labour, they live entirely on boiled beans and bread. They would prefer having bread alone, but their masters, finding that they cannot work so hard upon this, treat them like horses, and make them eat beans. Bad as the treatment of miners appears, it is gladly accepted by them; for the conditions of the labouring agriculturalists is much worse. Their wages are lower, and they live almost exclusively on beans.
>
> (Charles Darwin, *Journal of Researches*, entry for 1834).

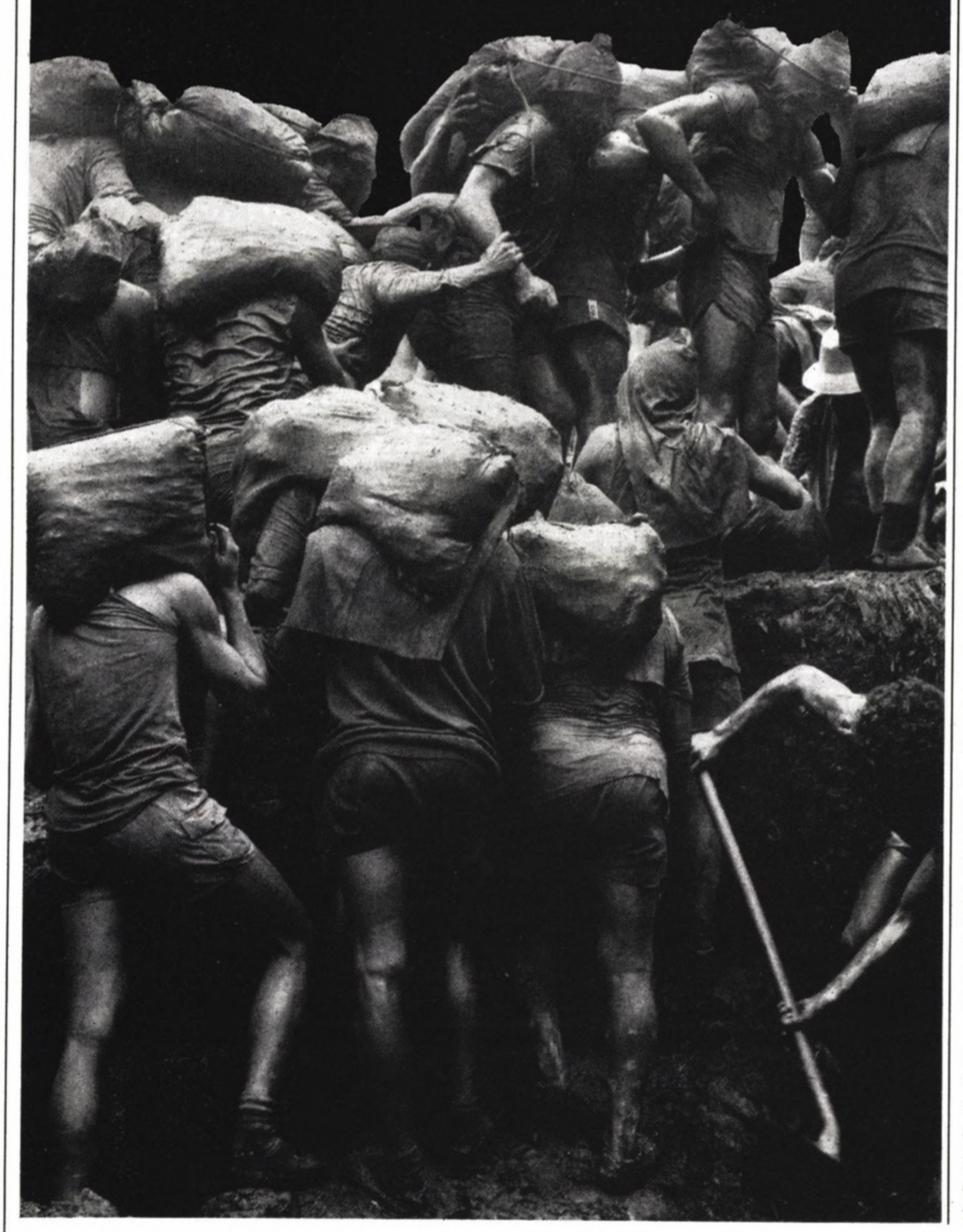


Photo : Sebastiao Salgado/Magnum

CHARLES Darwin's voyage on the Beagle, which led him towards an explanation of evolution, took him to Chile not long after the wars of independence from Spain. The people he saw there, working in copper mines, had been subjected to centuries of abuse by the Spanish. They were beginning to experience a new kind of abuse, which for the next 150 years until today has kept them in bondage to the fickle, faceless moods of the world copper market.

They have lived and died in poverty so that copper, which they rarely even see, can be used by others. They have done so, and do so now, because the alternatives remain worse. Their condition is replicated by that of hundreds of millions of others, perhaps even the majority of the world's population, who are engaged in producing commodities like cotton and coffee, timber and tin, for consumption in the West. If there is any sign of evolution here it would take more than another Charles Darwin to discover it. Why?

Let's call it 'raw materialism'. This was first invented by imperialists of bygone ages who divided the world into demi-gods (themselves) and sub-humans. The function of these sub-humans was to transform the richness of nature, the bounty of the forests, rivers and fields into the substance of fantasy and the satisfaction of greed. Raw materialism has survived and prospered to the point where it now seems ready to put an end to the world altogether if radical surgery is not performed soon.

It is an indulgence of desire. In modern times it is the product of vast resources dedicated to persuading us that our preferences and pleasures have become basic necessities of life. It exists to satisfy taste, to provide an uninterrupted supply of tea, coffee, cocoa, sugar, tobacco, narcotic drugs – an endless list of pleasures without which not a single life would be lost (and many might be saved). We are invited to have our minds captured by an insane view of necessity, a chronic and degenerative illness.

We consent because the pain of the disease is felt not by us but by those 'sub-humans' at the other end of the world. Their labour and hunger pays for our comfort; our bare necessities are their dream of paradise. And if they are ruled by tiny, hugely wealthy cliques, with no interest whatever in the welfare of their people, that is fine provided only that they don't rock the global boat. They must be free and democratic provided only that free means free-market and democratic means ferociously anti-communist.

Ah yes, the market, that great unstable god of raw materialism. It is prey to violent swings of mood called 'speculation'. Speculators, the high priests of the cult, have had their teeth into raw materials from the start. In pursuit of their own hallucinations, speculators imagine themselves in possession of *everything*,

able to dictate to *everyone* the price to be paid for the satisfaction of their desires. The market appears as the fount of all wisdom, revealed in all its beauty by the movement of prices.

Raw materialism has always been destructive. But only now are we realizing that it is self-destructive, too. Knowing no limits to its power, unable to comprehend the meaning of anything else, it consumes and extracts, pollutes and degrades without fear for the future or respect for the past. In the Amazon, a place where a single tree falling across a river to form a bridge can transform the ecology, it drags 400-ton chains between monstrous tractors to create a desert. It finds consolation in the knowledge that in destroying itself it stands a reasonable chance of bringing everything else down with it.

Raw materialism could not have flourished as it has unless it had somehow convinced its victims that they might one day become its beneficiaries. This it has done by offering up the richness of nature as something for nothing, a windfall. In recent times, since the early 1970s, oil has fulfilled this function. Hunger for oil threw vast, almost unmanageable wealth at the ruling classes of a few countries that happened to sit on top of it. Might the same not happen one day to Chilean copper or Ugandan coffee?

Who knows? What we do know already is that hunger for oil precipitated a world economic recession and impoverished further the poor who had no oil. We know that for the people of Venezuela, Mexico, Nigeria, the Soviet Union and, yes, the US and Britain as well, the gloss of oil wealth, a free gift from nature, has already worn off. It is a poisoned windfall. All such windfalls are poisoned by raw materialism.

For there is no such thing as natural wealth. Wealth is, in the first instance, a creation of the human mind, a shared perception of the world. The nature of that perception is what matters. Raw materialism would have us believe that its own sickness is normality, would have us fear that without it there is nothing but an impossible journey, out of the cities and into the past with the likes of Pol Pot in Cambodia.

Thanks to Darwin there is, however, one thing that we can be reasonably certain of, and that is evolution. Human evolution – to the point where we do not allow people to die of this global sickness is not an option, but a necessity. For the victims of raw materialism, and for raw materialism itself, there has been precious little of it for hundreds of years. Without it, what we face is not just the unendurable, endless suffering of millions, but extinction. □

Dani Sandberg is a thinker and pamphleteer who currently lives in a mobile home near Seattle, Washington.

AH-HAH! GATT-FLY

GATT-Fly is not a new insecticide but a Canadian campaign which has buzzed around the injust world trade system for 17 years. They soon learned that lobbying politicians was not enough, as Peter Laurie reports.

BACK in the 1970s, the central issue for people fighting global poverty was international trade. What could foreign aid ever accomplish, they argued, without some fundamental change in the rules of an unjust economic system?

GATT-Fly was one of the first organizations to concentrate solely on this fair trading issue. It was created by a coalition of Canadian churches in 1973. Its name was an irreverent way of stressing its mandate to 'bug' the Canadian Government about its role in international trade organizations such as the General Agreement on Tariffs and Trade (GATT). GATT-Fly set about persuading governments to pay more for the world's exports.

At the 1974 World Food Conference, held in Rome, GATT-Fly set up a ragtag electronic network of telephones and telex machines between its delegation in Rome and a cross-Canada string of volunteers that came to be known as 'Team Canada'. With the support of like-minded organizations at the conference, GATT-Fly managed to shift the agenda perceptibly by putting direct pressure on delegates and policy-makers. Faced by front-page headlines at home such as 'World Hungry Not Being Fed by Rome's Rhetoric', the Canadian Government made a surprise commitment of food aid.

Over the next couple of years the same media-smart pressure tactics were employed at a number of international conferences with a high degree of success. But each time there was a sense of strategic failure. Finally, in the aftermath of a stalemated United Nations Conference on Trade and Development (UNCTAD) in Nairobi in 1976, GATT-Fly concluded that the industrialized countries were fundamentally opposed to any structural changes in the conduct of international trade that would be to the benefit of developing countries.

'Keep 'em talking, but don't give anything away' was how one GATT-Fly report summed up the state of North-South dialogue at the UNCTAD conferences.

'At that point we moved away from trying to influence governments around international conferences,' explains GATT-Fly's Dennis Howlett. 'That was how we came to realize that it wasn't enough to convert the powerful, but rather we needed to begin trying to empower the powerless.'

In the early 1970s, says Howlett, the group was involved in lobbying to get the international price of sugar raised on behalf of Brazilian workers. No agreement was reached, but the price of sugar shot up anyway. A year later, GATT-Fly was shocked to discover that the living conditions of the workers had actually deteriorated. To capitalize on the higher international price for sugar, the plantation owners had expropriated workers' subsistence plots in order to plant more sugar. 'Now the sugar comes right up to my door', one of the impoverished workers told Howlett. Their wages had not increased.

'After that we realized that changing the price of sugar wasn't enough,' says Howlett, 'and that unless sugar workers in Brazil had the freedom to organize and freedom from repression, they weren't going to benefit.'

GATT-Fly continued to monitor the UNCTAD and other international rounds, but the organization now focussed most of its energies on supporting popular organizations in their struggles for economic justice and self-reliance. It committed itself to making concrete links between local and global issues by working alongside Canadian popular organizations: unions, farmers, native peoples.

The commitment to social change from below rather than lobbying from above was realized through techniques borrowed from Brazilian popular educator Paulo Freire. Since it was first tried out in 1975, the 'Ah-hah Seminar' (in colloquial English people exclaim 'Ah-hah!' when they realize something for the first time) has been used hundreds of times, most recently to build a broad-based coalition to fight the Canada-US Free Trade Agreement.

By all accounts, some of its sponsors would have been happier if GATT-Fly had stuck with lobbying politicans rather than taking its current more politicized tack. 'Through GATT-Fly, the churches were given a window to material life,' notes John Foster, National Secretary of Oxfam-Canada and a key player in the ecumenical movement. 'And maybe they were uncomfortable with the conclusions it reached.'

'If you focus on the poverty of Brazil or Burkina Faso, it's fairly safe, because that's far away,' says former GATT-Fly staffer Reg McQuaid. 'But our analysis quickly brought us back to the roots of world poverty and basic questions here in Canada – and people get uncomfortable about that.'

Some observers in Canada's aid community feel GATT-Fly's glory days were in the 1970s and that the shift in approach has lost it the ear of the public. That kind of sentiment is tempered by the support GATT-Fly enjoys among people for whom the struggle for economic justice is a day-to-day issue – the unions, Third World workers, farmers, immigrant women. The real value of GATT-Fly's long voyage of discovery is an economic analysis that need not mince its words, and a method of educating that links the global to the everyday.

GATT-Fly are at 11 Madison Avenue, Toronto, Ontario M5R 7S2. Tel: 416 921 4615.

Cocoa addicts

More than 40 Third World countries produce cocoa for world markets yet few of its people actually eat its product, chocolate. The rich are hooked on consuming it, the poor on producing it. John Tanner looks at a key primary commodity – and at how it conditions life in Ghana.

Photo : Maggie Murray/Format

BITE into a chewy Hershey Bar or select your favourite Cadbury's chocolate and you are at one end of the cocoa trade. Swing your cutlass to sever the ripe yellowish-red pods from the cocoa bush and you are at the other.

The chocolate bars we buy in the West never go down in price. Their prices are raised 'in line with inflation' but never cut to fit in with the cheaper cost of cocoa on the world market. The result has been huge profits for the three multinational corporations which dominate the chocolate market: Mars and Hershey of the US and Nestlé of Switzerland.

The cocoa-producing countries at the other end of the chain have no such price stability. Every year the price of cocoa is utterly unpredictable – though in the last decade if you'd predicted disaster you wouldn't have gone far wrong.

In the 1980s world cocoa prices fell by half. More and more producers began chasing fewer and fewer buyers. Production soared. The surplus cocoa mountain now stands at a huge one million tons, almost half what the world produces each year. It is a sad but typical story of the trade in primary commodities: Third World countries are so desperate to boost exports that each is always willing to undercut the next.

Ghana is one of those countries dependent on cocoa for the hard cash it needs to develop. The tradition of cocoa growing has put down deep roots into Ghanaian soil. Each village in the central zone around the Asante city of Kumasi has its cocoa storehouse. When the ripened pods are collected, they are cut open to reveal the white beans which must be fermented and dried. It is skilled work fermenting the beans under plantain leaves and then turning them dark brown in the sun.

Until 1980 Ghana was the world's largest cocoa exporter. It lives, breathes and thinks cocoa. One Ghanaian in four earns their living from the crop, which provides 60 percent of the country's foreign exchange. Cocoa supplies one third of Ghana's tax revenue.

The cocoa-price slide of recent years has thus been a disaster. Ghanaian cocoa does attract a small premium for its flavour, particularly from traders supplying the British market. But even so, cocoa brought Ghana just $395 million in 1988, compared with $503 million in 1986. Even less is expected for 1989.

All the same, successive Ghanaian governments did not help over the years by ignoring the cocoa farmer and causing a collapse in production. The Ivory Coast paid its cocoa farmers much more for their beans and became the number one exporter. Cocoa farmers in Ghana were the goose that laid the golden eggs, but the goose was never fed. Cocoa could only be sold to the Ghanaian Cocoa Board (known locally as the Cocobod), which paid farmers a small fraction of the world market price. By the early 1980s villagers were being paid so little that they left beans on the ground to rot.

Meanwhile, cocoa exports were used to finance luxury imports for the wealthy in Ghana and cocoa taxes paid for much of the civil service. The Cocobod's payroll grew from 22,000 in 1964 to over 100,000 in 1985, all on the back of the cocoa farmer. When the current military government led by Flight-Lieutenant Jerry Rawlings came to power it investigated the Cocobod. It found that 15,000 of those on the payroll were 'ghost workers' – staff who had died or long since left who were still being paid.

Paradoxically, while the collapse in cocoa prices has been disastrous for Ghana as a whole, the cocoa farmers themselves, 95 per cent of whom work small-scale peasant plots, are now feeling much better off. The Rawlings Government, under International Monetary Fund (IMF) guidance, decided to pay the farmers more in a bid to rehabilitate the cocoa sector. 'Formerly they were not even buying our cocoa but now that Chairman Rawlings is in, he is giving us encouragement', said one peasant.

Today the Cocobod is paying farmers about half the world market price. That was cedis 10,440 ($37) for a 60-kilo sack of beans at the end of last year – about a month's pay for a private soldier. Last season's record crop was partly down to good weather but also a result of much better returns for growers. Peasants who in the drought years of 1983 and 1984 had switched to food crops have been returning again to cocoa cultivation.

The economic recovery programme derived from the IMF has made winners out of cocoa farmers and businesspeople who can export. Entrepreneurs can keep 30 per cent of their foreign-exchange

earnings to pay for the import of luxuries. The losers are state-employed civil servants and teachers and, of course, the rural and urban poor. The civil servants and teachers have been forced to take second jobs, driving taxis or running market stalls. The poor are offered PAMSCAD, the Programme for Action to Mitigate the Social Costs of Adjustment, which has been slow to start.

Once considered dangerously radical, the Rawlings regime is now much favoured by foreign-aid donors and is held up by the IMF as a shining example. 'Most of what we would like to see happens to be what the IMF would like to see,' I was told by Government representative Paul Victor Obeng. As a result a continued slide in cocoa prices would undermine Ghana's economic 'recovery' and be highly embarrassing for the IMF. It is a nightmare scenario which Obeng would rather not think about and which would force him to say to Western countries: 'As you are paying less for our cocoa, please give us more aid instead'.

The memory of hunger in 1983 and 1984, when bush fires raged, still haunts the Ghanaian imagination. The Government's objective has been to reduce malnutrition among under-fives from the 42 per cent in 1985 to 17 per cent by this year. No-one knows how successful they have been but at the moment markets in the villages and towns are piled high with plantains, fruits and vegetables – at a price.

Ghana does have enough land to feed itself. But the problem is that the amount of land claimed for agriculture by cutting down the forest has already reached its limits. This century Ghana's forests have shrunk from 8.2 million square kilometres to only 1.9 million. If population continues to increase at 2.6 per cent a year, a choice will soon have to be made between growing cash crops or growing food. At the moment farmers are being paid to grow cocoa but food production is being left to market forces.

Ghana probably has three options for the future. It can continue producing cocoa as now and hope that prices will recover and become more stable. It can develop the processing side of cocoa. Or it can switch to plantation production.

Ghana already produces its own chocolate at the busy port of Tema, but only for home consumption. Ghana Cocoa Products manufactures its 'Golden Tree' brand of milk chocolate, which is good quality and could in theory be exported. Demand for chocolate is increasing in the Third World, where the product usually has to be sold from the refrigerator. But Ghana would face fierce competition from companies such as Cadbury Schweppes. Alternatively it might process its own beans into cocoa powder and cocoa butter for export; subsidiaries of the big cocoa traders – Gill and Duffus of the UK, Cargill of the US and CacaoBarry of France – have been grinding beans in Brazil for home and abroad since the 1970s.

Faced with such competition from multinationals, Ghana seems more likely to go down the road of creating its own plantations. Tony Fofie is the senior manager in charge of the Cocobod's 21 cocoa estates and he has visited plantations in Malaysia. 'Oh you know, the rate at which Malaysia is producing cocoa on an estate basis is just fantastic', he said. He believes that with the right investment Ghana could make its estates profitable and produce cocoa just as efficiently as Malaysia. But public or private estates using new techniques would inevitably threaten the traditional farmers.

Like a junkie dependent on drugs, Ghana cannot give up cocoa. So whatever route it chooses it will remain prey to the vagaries of the world market. The best hope for Ghana and all other cocoa producers lies with an International Cocoa Agreement that would try to improve prices. This is not idealistic fantasy – such an agreement actually came into force in 1987. But it failed miserably because Indonesia, Malaysia and the US refused to participate. Indonesia and Malaysia are low-cost producers who believe they make more money with low prices than if they agreed to limit their exports. The US, the single biggest cocoa importer, simply says it supports a free market.

In the long term Ghana and countries like it can hope that the growing demand for chocolate in the Third World itself will revolutionize the cocoa trade. But in the short run prices will remain a lottery and the chocolate multinationals will continue to play off one Third World country against another. □

John Tanner is a journalist who specializes in trade and development issues.

Cocoafacts

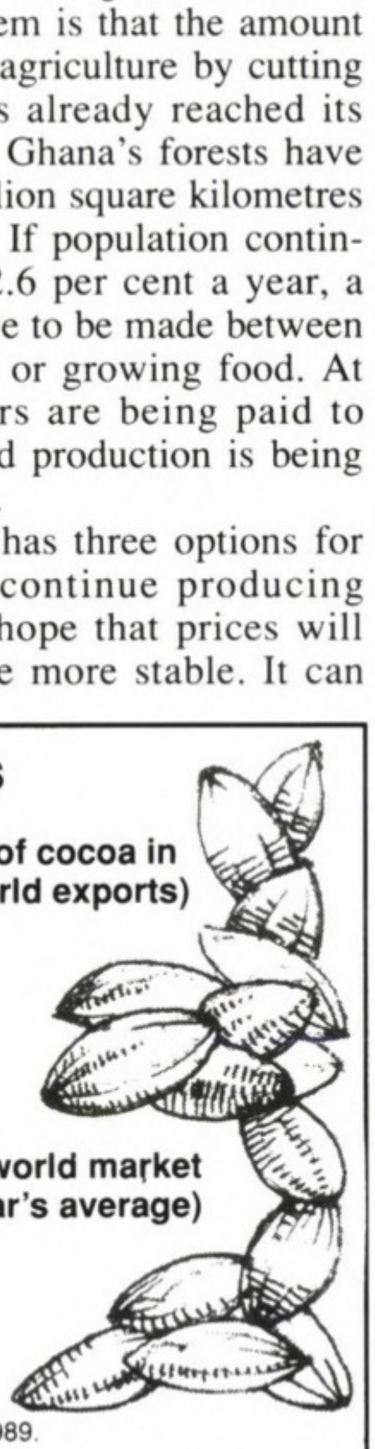
Top five exporters of cocoa in 1986 (% of total world exports)

Ivory Coast	32
Ghana	15
Nigeria	9
Brazil	9
Malaysia	6

Price of cocoa on world market (per metric ton, year's average)

1977	$3,789
1982	$1,742
1984	$2,396
1989	$1,174[1]

1 Spot price, September 1989.



The life of Akua Kru

John Tanner meets a woman who has been farming cocoa since the British ruled Ghana.

An old Asante woman, with lined face and sinewed arms, squatted on the hard red-brown earth of the courtyard. Akua Kru was determined to be heard, despite the men of the village.

Barefoot, she was dressed in brown with a blue apron tucked in at her waist and hair in a scarf. She had placed herself just outside the circle of half a dozen male elders assembled to greet the visitors from the capital Accra.

The guests, officials from the Cocoa Board, and the head of the village, sat on low carved wooden stools. Beyond the inner circle, 30 or 40 men, women and children (lots of children) looked on, sometimes shouting comments.

On the four sides of the courtyard were single storey mud-walled buildings with rust-brown tin roofs. The village of Kwakokrum, between Kumasi and Obuasi in Ghana's Asante region is a typical cocoa village.

Akua Kru, one of the oldest and largest farmers, felt she had a right to speak. 'I think I am 67 years old, I have three daughters and seven sons and some of them are grown up', she said. 'My husband died some time back'.

The widow grows oil palm, cocoa yam and cassava, as well as cocoa, on two farms totalling 32 acres. 'I'm happy about the price paid for my cocoa but I should be given pesticides, boots and protective clothing', she complained.

For Akua Kru cocoa farming is not that different from pre-1957 when the British ruled the then Gold Coast. The same network of national marketing board, local cocoa buyers and the village cocoa store, remains. Communications with the main road are still along a winding muddy track through the forest. But these days the village has a brand new concrete-lined well, very few roofs are thatched and there are transistor radios.

In the old days the farmers received only a credit note for their sacks of beans. Today farmers are paid straight into their bank accounts through the 'Akwafa Cheque' system (*akwafa* means 'farmer' in Akan, the Asante language).

The villagers complain that while cocoa prices are reasonable, the prices of cement, building materials and cloth are continually rising. 'If it hadn't been for Chairman Rawlings I would have stopped cropping cocoa altogether', said one.

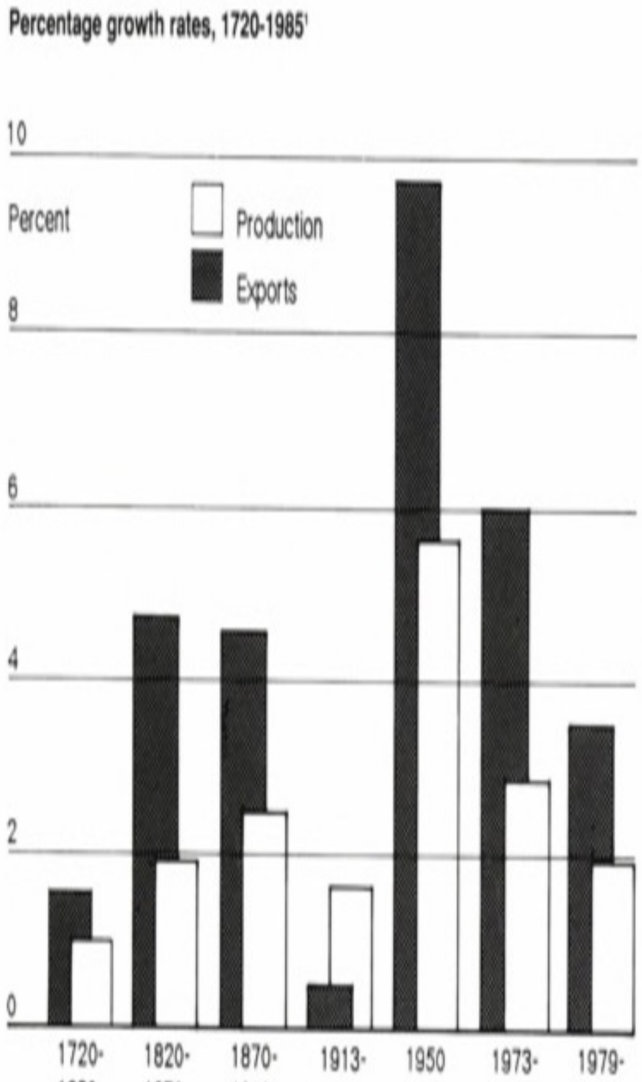
If times are hard, Akua Kru can always return, like peasants everywhere, to growing only food crops. But her grandchildren go to school in the town. They want well-paid city jobs and may turn their back on grandma's cocoa farm.

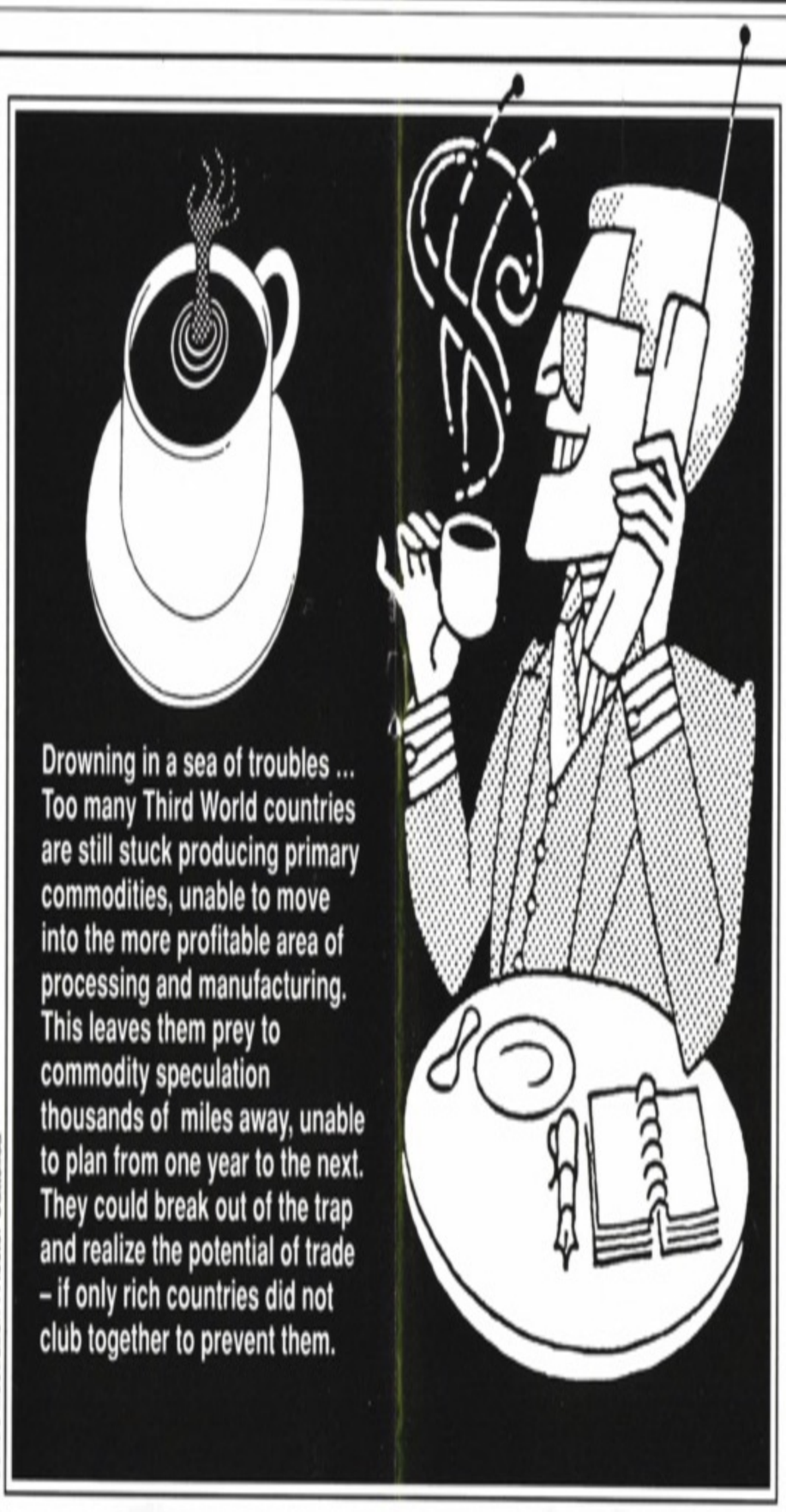
TRADE - THE FACTS

HOW IT GROWS

International trade has grown almost without interruption since the eighteenth century at least. Nearly always it grows faster than production. This is why it is sometimes called the 'engine of growth'. Only between the two World Wars, a period dominated by the Great Depression of the 1930s, did trade grow less fast than production. Rates of growth in trade today are much less spectacular than they were in the 1950s and 1960s, but trade still grows faster than production. This offers scope for new exporters to produce for world markets.

Percentage growth rates, 1720-1985[1]





Centre illustration : Hector Catalica

WHO IT BENEFITS

The world divides clearly between countries that have got richer during the 1980s and those that have got poorer[5] (measured by increases or falls in GDP[6]). A total of 48 countries have been getting poorer during the 1980s – almost as many as those that have got richer.

The countries that have got richer, like South Korea or Malaysia, increasingly export manufactured goods for world markets, not primary commodities. Those that have got poorer, like Ethiopia and Zaire, are almost all totally dependent on the export of primary commodities.

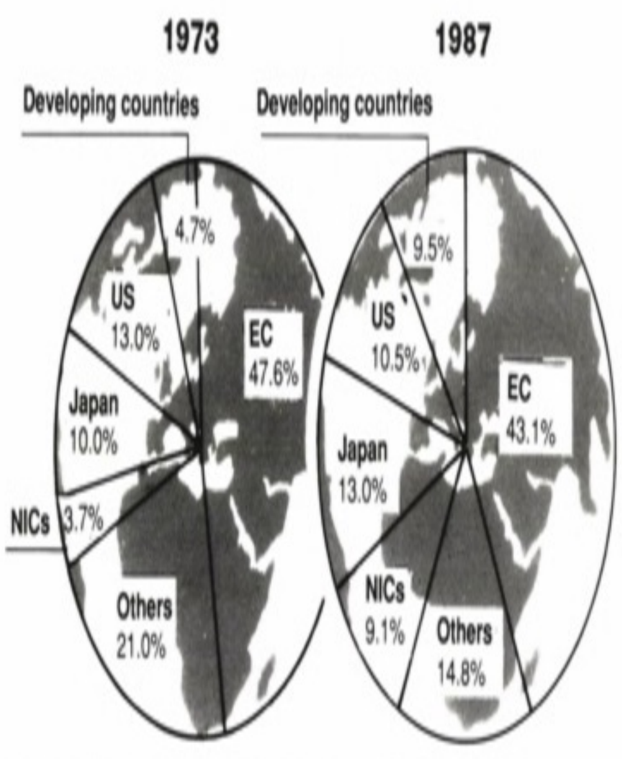
	Number of countries with **rising GDP** per capita 1980–7	% of primary commodities to total exports 1987	Country examples
High-income countries	22	28	US, EEC, Singapore
Upper-income countries	9	50	S. Korea, Brazil
Lower-income countries	14	50	Mauritius, Malaysia,
Low-income countries	9	52	China, India, Pakistan
Total	54	42	
... and falling GDP			
High-income countries	3	87	Saudi Arabia, Kuwait
Upper-income countries	5	76	Trinidad, Argentina
Lower-income countries	18	55	Guatemala, Chile
Low-income countries	22	86	Zaire, Mozambique
Total	48	74	

Photo : Guy Le Querrec/Magnum

HOW IT CHANGES

Slowly, all too slowly, once-poor countries have been increasing their share of world trade in manufactures. Not all of the increase comes from the classic 'Newly Industrializing Countries' of South Korea, Taiwan, Hong Kong and Singapore. Mexico and Brazil have been industrializing for many years, and are being joined by Thailand, Malaysia, Morocco, Mauritius and many others. India, Pakistan and China are beginning to move. Meanwhile the market shares of both Europe and the US are eroding.

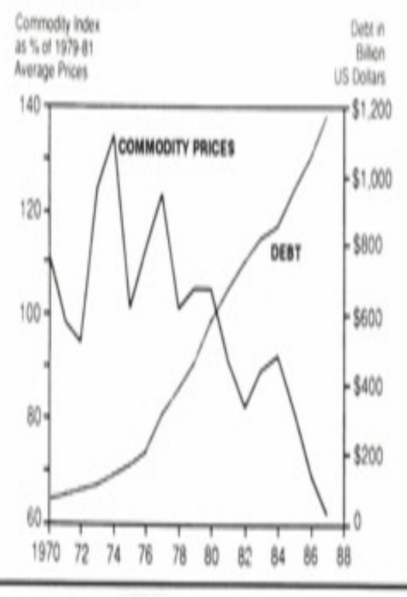
Percentage shares of world manufacturing trade[2]



HOW IT HURTS

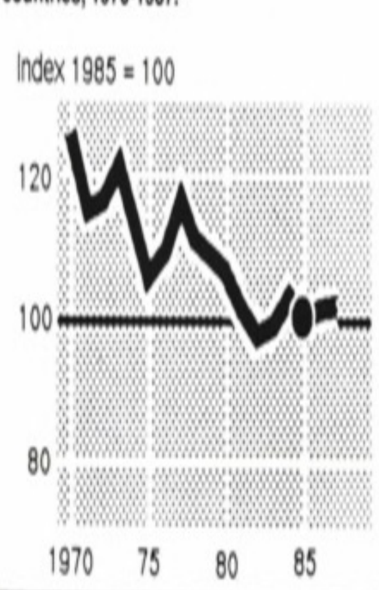
Commodity prices fell throughout most of the 1980s. The fall was particularly severe for agricultural (as opposed to mineral) products. This played a big part in the 'Debt Crisis', as poor countries had to borrow to make up the difference. It also forced them to compete with each other – which sent the price of their commodity exports down still further.

Commodity price index and total Third World debt, 1970-1987.[3]



Nothing makes it clearer that developing countries have been losing out than 'the terms of trade' – how much you get paid for what you export compared with what you have to pay for imports. Because Third World countries export primary commodities (which have been falling in price) and import manufactured goods (which have not) they have become poorer.

Terms of trade for non-oil developing countries, 1970-1987.[4]



1 *International Trade 1986-87*, GATT. 2 *The Financial Times*, London, 26 September 1989 and GATT. 3 World Bank. 4 *The Financial Times*, London, 26 September 1989, IMF and World Bank. 5 World Bank, *World Development Report 1989*. 6 Gross Domestic Product (GDP) equals Gross National Product (GNP) less remittances from abroad.

WHERE IT GOES

Developed countries still have a virtual monopoly on world trade – a great deal of their wealth depends on it. The value of their manufactured exports is seven times greater than that of developing countries. The Eastern trading area includes all centrally planned economies – thus it includes countries like China and Vietnam which are more normally grouped with developing countries.

World trade 1986, in $ billions.[1]

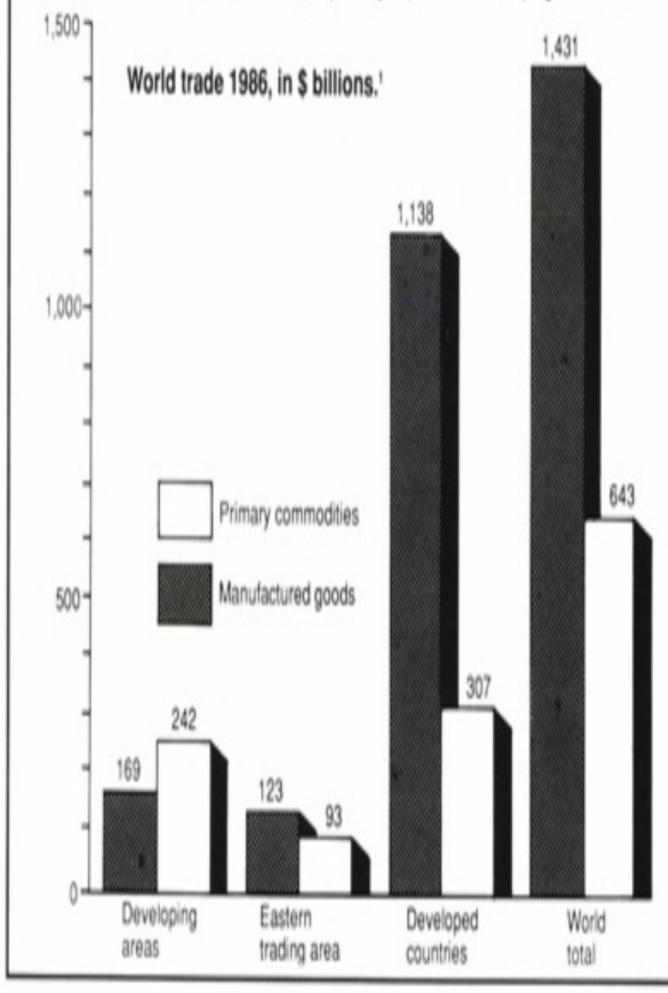


Photo : H Cartier-Bresson/Magnum

Halfway to liberation

Trade is changing the world more effectively than any government. And Nigel Harris argues that there is cause for modest optimism about this revolution.

LOOK at the labels on T-shirts in your local clothes shop, or on the honey in the grocer's: they will show you 20 different countries of origin. At the other end, where the goods come from, you would find an even greater multiplicity of destinations. Christina Lamb of the *Financial Times*, for instance, recently tracked down the township that makes the world's footballs: Sialkhot in Pakistan. In the same town, she discovered the world's largest maker of traditional Scottish bagpipes, each carefully dressed in the appropriate clan tartan for sale in the different regions of Scotland.

A vast transformation is being wrought in the world economy and in our lives by the continuing mighty expansion of international trade. Part of this is accounted for by an astonishing and sustained growth in the productive power of the workers of the Third World. For the first time, I believe, there is hope – warts and all – for the employment of the vast millions of the world at levels of rising productivity and income.

What a difference this is from the picture of the world we had in the 1950s, when economic development of the globe first became an issue. At that time it was scarred by images of sugar plantations and slavery in Pernambuco and Cuba, starving tea pickers in Darjeeling, the deadly gold mines of the Rand, the tin mines of Kuala Lumpur, copper in Chile. In that age, the robber barons – De Beers, Rio Tinto, Booker Brothers, United Fruit – ran whole countries as their fiefs.

In the Great Depression of the interwar years Europe and North America had minimized their imports, blocked capital exports to the raw-material exporters in Latin America and had foreclosed on debts. The pretty notion of an harmonious world 'division of labour' – the exchange of the manufactured goods of the More Developed Countries for the primary commodities of the Less Developed – stood exposed as a fraud by the strong upon the weak. The white man's burden turned out to be the white man's jackboot.

Given this, it was no wonder that governments of developing countries in the 1950s opposed reliance on exports as a means to generate growth – or even to raise the means to invest. They turned inwards, adhering to the conventional wisdom of the previous two decades. The key, it seemed then, was not a world division of labour – each country specializing in a particular activity – but self-reliance and a fully diversified national economy. As a solution to the problem of conquering poverty, it seemed too good to be true.

It was. Their own domestic markets were too small for all but the most primitive manufactures, and were not growing fast enough to allow industrialization to take off. Local manufacturers, now protected against competition from abroad, switched to providing for the most profitable market at home: the rich. Income inequality thus reproduced a manufacturing sector in its own image. A small domestic market meant high-cost production, and the lack of competition meant poor quality, high prices and few technical improvements. Mexico's garment industry could therefore clothe the better off, but not the poor. In contrast Hong Kong, supplying the world, also clothed its own inhabitants at the lowest world price. How?

A chink in the armour

It was the accidental good fortune of the four Little Tigers of East and South-East Asia – Hong Kong, Taiwan, South Korea and Singapore – to stumble upon an alternative development strategy. They found a chink in the armour of the More Developed Countries. They expanded by exporting, not raw materials, but manufactured goods, precisely the goods where the rich countries were supposedly at their strongest. Furthermore, they did so on their own resources, not as creatures of multinational corporations (they came later, after the boom had been started).

The four caught the gale of world growth in the 1960s, and their small or tiny economies flew and continued to do so for nearly three decades. Output soared to meet world demand at prices and quality accessible also to their own people. With rising output went economic and social transformation, rising productivity, incomes and consumption. With a life expectancy of 50 in 1950, South Koreans have now virtually arrived at developed status – 69 to 70 years. Or, to give another graphic example, South Korean schoolboys of 14 have added 12 centimetres to their height since 1960.

Slowly but surely, the world has

absorbed the lessons. More and more governments have tried to join in, to export manufactured goods. The fathers of the current officials of Ministries of Finance in the Third World would have been appalled. The cult of the market has never achieved such universal – and uncritical – adulation.

Pessimists thought the first chill of slump would put a stop to it all. But in 1974 to 1975, it did not. Contrary to the experience of the 1930s, the manufactured exports of the developing countries held up through both the first slump and the second (in the early 1980s). Indeed, while the world press in the 1980s was quite rightly preoccupied by the grave problems of hunger and economic decline in sub-Saharan Africa, or of debt in Latin America, some Third World countries – including some of the largest, like China, Pakistan or Thailand – actually accelerated their growth of manufactured exports.

Now, at long last, India, notorious as much for its endemic poverty as its stagnant economy, has also begun to move, raising the growth of output from roughly three-and-a-half per cent to six, with manufacturing growing by eight or nine per cent per annum and manufactured exports rising too.

This growth has contradicted much of the conventional wisdom about developing countries. Over half the exports of the Third World are now manufactured goods, not raw materials, and the share is expanding swiftly. Nor are these just cheap, labour-intensive goods. The fastest rate of growth recently has been in machinery and transport equipment. South Korea has come from nowhere to become the second largest shipbuilder in the world, and is now set to become a major exporter of cars. Malaysia exported its first 10,000 Proton cars to Europe last year. Brazil exports aircraft, China satellites and India computer software.

The fastest-growing trade, however, is not swapping finished products. It is contributing specialized parts to a finished product, so that complex manufactured products are now made from the contributions of many countries. The label of origin indicates no more than the last place the product came from. This is a quite new division of labour, and so complicated, little is known about it. You can see some of the complexity in the diagram below of who contributes what to the making of a Ford car.

So the growth of trade is not just in manufactured exports. It constitutes a new global economic order – where the integration of manufacturing undermines the old idea of simple, independent national economies. Governments are having to modify radically their ambitions. For now, increasingly, they administer part of a world economy rather than a separate fiefdom.

The god of economics is blind

It is not an outcome anyone anticipated. We are still absorbing the shock. Like justice, the god of economics is blind – and we only discover what was happening in the past long after the event.

Now we can see what was going on. First, great efforts were made in most Third World countries to train their workers, develop infrastructure and industrialize; the task could only be accomplished in selected areas, usually the cities, where the gap between More and Less Developed Countries narrowed.

Second, there was a remarkable decline in transport costs and in the average weight of goods moved.

Third, holes started to appear in the rich world's protectionist barriers and the conditions of trade eased. Convertible currencies and international banking facilities were established.

Because of these changes, the great initial 'comparative advantage' of the Third World in labour costs could start to take effect. Of course, management skills and confidence were needed to make the most of this advantage, but through example and painful trial and error, the lessons were learned.

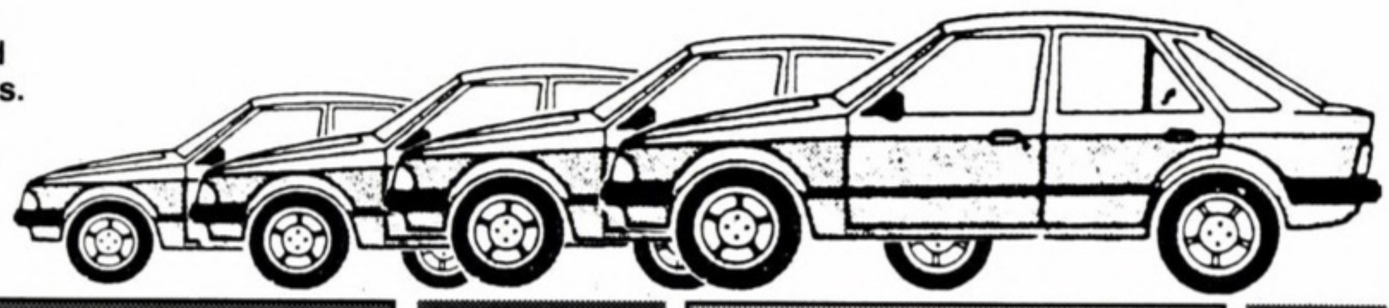
Even then, without a change in the conditions of production in the rich world these factors would not have been enough. In the Europe of the 1950s, the scale of growth swiftly exhausted the available labour supply. European buyers scoured the world for new sources of supply of those goods which traditionally required a lot of labour to produce. They found, in the first instance, Hong Kong's garments.

From that point there have been successive transformations in the output and skills of the manufacturing exporters. As the leading countries like Taiwan and South Korea have upgraded their output to higher valued goods, poorer newcomers have pushed them out of the lower valued area where they began. Now the great growth sector of the world manufacturing trade is in capital goods – and especially office and telecommunications equipment. These are not cheap labour products. But for the leading Less Developed exporters of Asia (Hong Kong, South Korea, Malaysia, Singapore, Taiwan and Thailand), 60 per cent of their capital goods exports are in this category. And

Building the Escort

Global manufacturing at work. The parts of this Ford car come from at least 12 different Western countries. In turn these are increasingly supplied by the Third World. Final assembly, at present, takes place in the Netherlands.

Source : World Bank



BELGIUM
Tubes, seat pads, brakes, trim

CANADA
Glass, radio

NETHERLANDS
Tires, paints, hardware

SWEDEN
Hose clamps, cylinder bolt, exhaust down pipes, pressings, hardware

SWITZERLAND
Underbody coating, speedometer gears

UNITED STATES
EGR valves, wheel nuts, hydraulic tappet

ITALY
Cylinder head, carburettor, lamps, defroster grills

AUSTRIA
Radiator and heater hoses

DENMARK
Fan belt

NORWAY
Exhaust flanges

FRANCE
Alternator, cylinder head, master cylinder, brakes, underbody coating, weatherstrips, clutch release bearings, steering shaft and joints, seat pads and frames, transmission cases, clutch cases, tires, suspension bushes, ventilation units, heater, hose clamps, sealers, hardware

JAPAN
Starter, alternator, cone and roller bearings, windscreen washer pump

SPAIN
Wiring harness, radiator and heater hoses, fork clutch release, air filter, battery, mirrors

UNITED KINGDOM
Carburettor, rocker arm, clutch, ignition, exhaust, oil pump, distributor, cylinder bolt, cylinder head, flywheel ring gear, heater, speedometer, battery, rear wheel spindle,intake manifold, fuel tank, switches, lamps, front disc, steering wheel, steering column, glass, weatherstrips, locks

FEDERAL REPUBLIC OF GERMANY
Locks, pistons, exhaust, ignition, switches, front disc, distributor, weatherstrips, rocker arm, speedometer, fuel tank, cylinder bolt, cylinder head gasket, front wheel knuckles, rear wheel spindle, transmission cases, clutch, steering column, battery, glass

Photo : H Cartier-Bresson/Magnum

A rocket nose cone goes to market in India.

the boom of 1987 to 1989 lifted the exports of these Asian exporters to new record heights.

The end of history?

Is this, then, the end of the problem of development? The 'end of history' as US ideologist Francis Fukuyama recently proclaimed? Has capitalism finally won, submerging all in a festival of the market? Of course, we have to test the old theories against what has actually happened, but such a conclusion would be absurd.

First of all, it was not the practice of market economics or liberal politics which produced the high growth of the Four Little Tigers (with the exception of Hong Kong), but opportunistic states, driven in the case of the two largest countries by the ambition to be militarily strong.

Second, growth itself has produced rebellion – as was shown by the action of workers and students in South Korea in 1987 and 1988.

Third, and most important, not all countries can participate. The poorer a country, the less its ability to reshape output to fit external demand. So the potential for growth is as unequally distributed as income. The Least Developed of the developing countries – most of them to be found in Africa – have a per-capita income only one quarter of the average for the Third World as a whole; the role of agriculture in these places is two and a half times greater. Many of these countries can only sustain their present position with considerable external help. It is the worst kind of mockery to urge them to expand non-existent manufactured exports.

Things are not quite so severe for the most indebted in Latin America. Debt servicing takes a large share of export revenue, thus preventing the imports needed to sustain all-round domestic growth. But the debt burden has been lightened for some. And there has been a very considerable increase in manufactured exports. In the case of Mexico's special export plants, this has also produced a significant growth in manufacturing employment – from 180,000 in 1982 to approaching 400,000 today.

Even if the problems of the poorest and the most indebted could be overcome, industrialization brings its own negative consequences. To see exhausted Korean schoolchildren stumbling home in the dark with satchels bulging with homework is to catch a glimpse of the tyranny of work that seems to be the essence of raising the productivity of labour, incomes and welfare.

Industrialization does not shift class oppression, inequality, racism, nor even the poor – as Europe and North America demonstrate. It wrecks inherited ways of life and cultures. It can also wreck the environment – in Taipei's main industrial district, air pollution was recently put at 188 (on the Pollution Standard Index); 25 years ago, in a Los Angeles where freeways were jammed with gas guzzlers, readings never reached higher than 170.

The revolution of hope

Industrialization is only half the promise of liberation. But it *is* half – and makes the difference between the rebellion of despair and the revolution of hope. It may not create a just order, but it creates the means to achieve that order.

This is the trend: towards greater technical interdependence. The longer the process lasts, the less it will be possible to separate out national economies. The rich world now has all the strength of the blind Samson, capable only of accepting things or pulling down the temple on his head.

The sinews of the integration of one global economy are flows – of trade, capital and finance, information, migrant workers. There are very different levels of integration in each aspect, and trade is by no means the most advanced. Nonetheless it is achieving, unseen by most people, a practical internationalism, a level of collaboration between countries in the production of the world's output, which defies the political assumptions of a predominant nationalism. The process increasingly limits the powers of government to shape their domestic economies. Partly this is because it is more and more difficult to identify the nationality of commodities or capital or companies. All is merging into the flow.

None of this solves the underlying problems that concern so many: the emancipation of women, equality, justice, the cleaning of the environment. But many more people can eat, can get education and can more closely approach freer choices. Furthermore, the means to overcome some of these underlying problems is vastly strengthened. Given all the hideous problems, that is grounds for some modest optimism. □

Nigel Harris works at the Development Planning Unit in London's University College. He is the author of *The End of the Third World* (Penguin 1987).

Plantations and planes

Brazil has everything. It is one of the most industrialized countries in the Third World – yet also its largest exporter of primary commodities. Its urban rich are fantastically wealthy; its rural poor utterly desperate. The choices in front of Brazil are those facing the whole of the developing world. Sue Branford reports.

OZIRES SILVA was born in 1930 into a poor family in the interior of Saõ Paulo state. By chance, there was an air club in the town and Ozires as a young boy helped out with odd jobs, developing what was to be a lifelong passion for planes. He admits that he flew his first plane, quite illegally, when he was only 14 years old.

Ozires joined the Air Force Academy, largely because it was one of the few ways to get a good education free. And, eventually, he set up, almost on his own, the air force's only venture into commercial plane manufacturing – Embraer.

Embraer became one of Brazil's great success stories, ending up exporting planes to the US and the UK. Ozires, who became an astute businessperson in the process, says that things worked out very differently from how he had imagined. 'When we designed our first plane, a small, simple model, I thought that we should obviously try to sell it to other Third World countries. But I learnt that the First World likes simple planes, whereas the Third World only imports sophisticated models.'

Ozires' story is hardly the kind of thing we are used to hearing from the Third World. But he is just as representative of the character of modern Brazil as the poor farmers and sugar-cane workers we might more normally come across in the pages of the NI.

Ozires says that in the 1970s the sky seemed the limit for Brazil, which was riding confidently on the wave of an economic boom. 'Brazil imagined that it could produce everything', he says. 'We tried to do the impossible, and the world moved in quite another direction. Large capital became international, while we dreamed of being self-sufficient. It was a serious mistake'.

In 1986, in the government of President Jose Sarney, Ozires was appointed head of the country's largest state company, the oil giant, Petrobras. Ozires thought that he could take it over,

shake it up and turn it into an efficient, market-orientated business. He failed. The huge state bureaucracy, with its allies in the federal capital of Brasilia, blocked all his attempts at reform. In the end, after a public row with the Minister of Mines and Energy, Ozires was sacked.

The experience turned Ozires into a fervent – but intelligent – advocate of privatization and market-orientated policies. He believes that Brazil is today one of the most closed economies in the world, 'surpassed only perhaps by the Soviet bloc'.

Brazil has to take the plunge and open up its economy, he argues. 'We cannot go on doing everything, and doing it badly. For a hundred years, we have been the largest producer of coffee. But the Americans invented soluble coffee, the English invented freeze-dried coffee, the Italians espresso coffee and the Germans paper filters. We got left behind'.

This is a critical moment for Brazil. For the whole post-war period, it has adopted a protectionist model of economic development, with heavy state involvement. That model is now showing signs of breaking down.

Throughout most of the 1970s, Brazil was Latin America's economic success story. Government planners, who promoted Brazil's 'economic miracle', had in their sights those few Brazilians who could afford to buy sophisticated consumer goods, such as cars, washing machines, hi-fi equipment and so on. Brazil would grow rich by making these things for them. In a country with a population of over 100 million, even a small percentage of the total makes a fairly large market.

When foreign debts began to snowball in the late 1970s, the Government finally encouraged manufacturers to sell abroad. A form of protectionism allowed companies to import goods at a preferential tariff rate if they used them to produce manufactured exports.

Patriotic generals, ambitious to match Japan or the US, wanted Brazil to become a world economic power. To achieve this, they argued, Brazil must have its own computer industry. Despite considerable US opposition, they set it up in 1973. By 1977, once it was firmly established, they reserved a part of the Brazilian computer market for the new local companies via the 'informatics' law.

They ran straight into a trade war with the United States. IBM, the US computer giant, immediately launched a vigorous campaign against the 'informatics' law. The US Government backed up IBM and began an investigation into Brazil's 'unfair' trading practices. At one stage, reprisals were taken against Brazilian products on sale in the US.

Then, a couple of years ago, the whole model started to disintegrate. Key manufacturing sectors complained bitterly that they could not import crucial components. Local manufacturers could not supply their needs. In 1988 and 1989 Brazil began to dismantle its protectionist schemes. It relaxed its restrictions on computers and allowed foreign companies to set up assembly plants in the Manaus Free Zone. In October 1989, Carla Hills, the US Trade Representative, terminated the investigation and praised Brazil for its 'willingness to work constructively with us'.

Through all this, little changed for most Brazilians. New manufacturing technologies were capital-intensive, requiring little labour. Few unskilled workers were employed. And even those who managed to get jobs were not well paid. In agriculture, large tracts of land were mechanized. Some farmers grew rich, cashing in on the new developments. But many rural labourers were sacked from their jobs. Tens of thousands of small farmers lost their plots of land with the move to large, mechanized estates using modern methods along with vast quantities of chemical fertilizer and pesticides.

Maria Costa Ferreira has felt the effects. She is a 22-year-old worker on a cocoa plantation near Ilheus in the north-east of Brazil. For several months of the year she plants cocoa saplings under shade trees on hillsides, taking her children with her. She is paid piece rates, earning one-tenth of a Brazilian cruzado (a few cents) for each sapling she plants. This is such a tiny sum that she would need to plant about 50 saplings to buy a 40-gramme bar of chocolate. Not surprisingly, she has never tasted chocolate.

Maria lives on the estate in a primitive shack. She and her children often go hungry. They are used to this. What is relatively new for them is the recurrent sickness that many suffer from, particularly those who are applying pesticides. According to local doctors, the number of sick workers has grown enormously. That is about the only tangible achievement of the Brazilian 'economic miracle' for the cocoa workers of Bahia.

Faced with this situation, with the inheritance of years of military dictatorship, which way will the Brazilian President Fernando Collor de Mello jump? Probably he'll seek some kind of compromise. Further dismantling of the old protectionist model seems inevitable – but a coherent, positive development policy, which takes into full account the needs of the excluded groups, is even more essential. The divisions in Brazilian society are already alarmingly deep. A further exacerbation of the gap between rich and poor could lead to a complete breakdown in social order. □

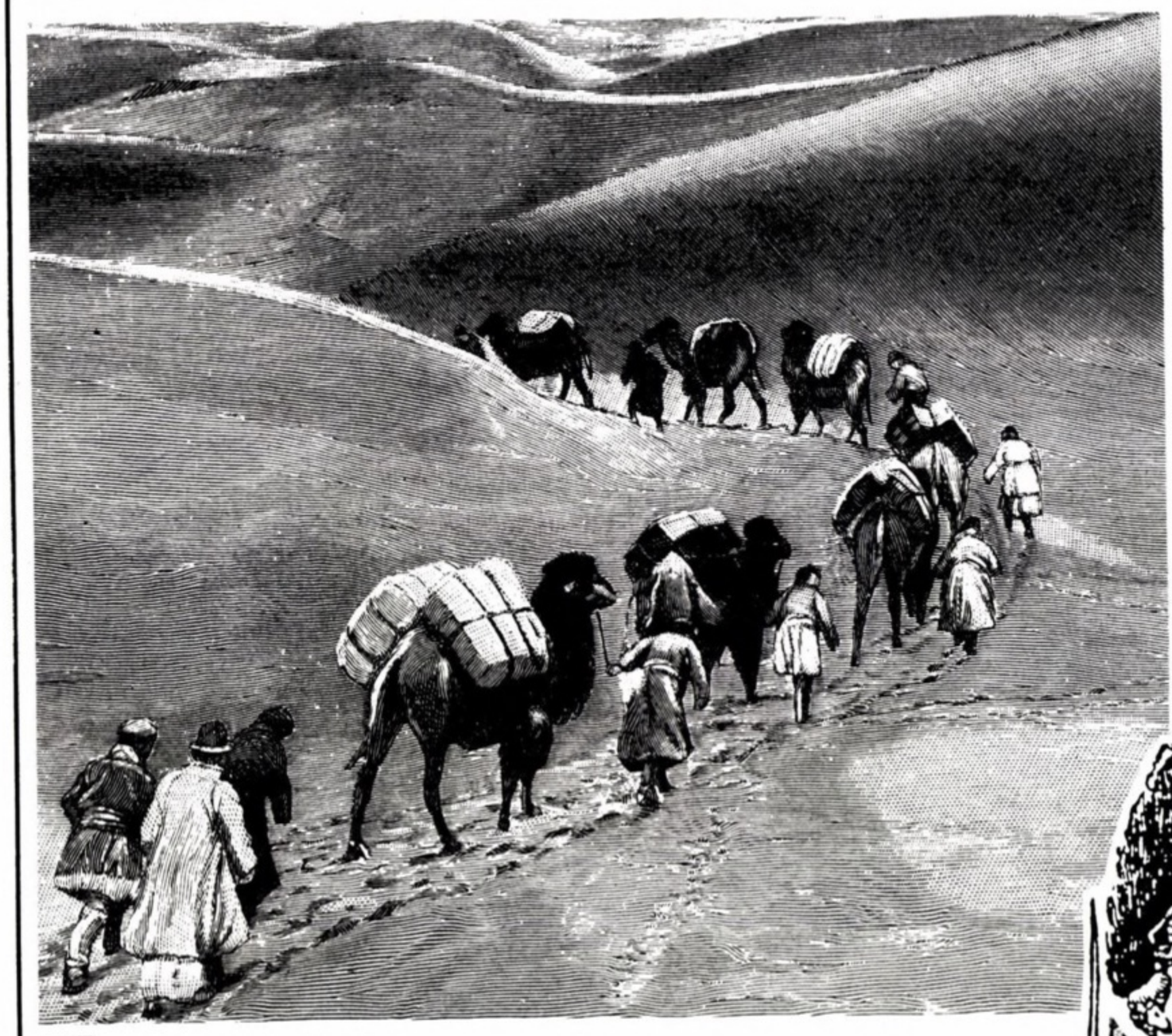
Formerly based in Brazil, Sue Branford now works for the BBC World Service. She is author of *The Debt Squads* (Zed Press 1987).

Critical times lie ahead for the people of Brazil, carrying modern industry on the back of mass poverty, into an uncertain future.

Photo : Sebastiao Salgado/Magnum Photos

Simply.. A HISTORY OF WORLD TRADE

This is a story of discovery and destruction, the rise and fall of great empires, religions and civilizations. Trade has played a part in all of it. Curiosity and greed, a sense of adventure and the search for El Dorado: both the best and the worst aspects of humanity have driven people to trade.

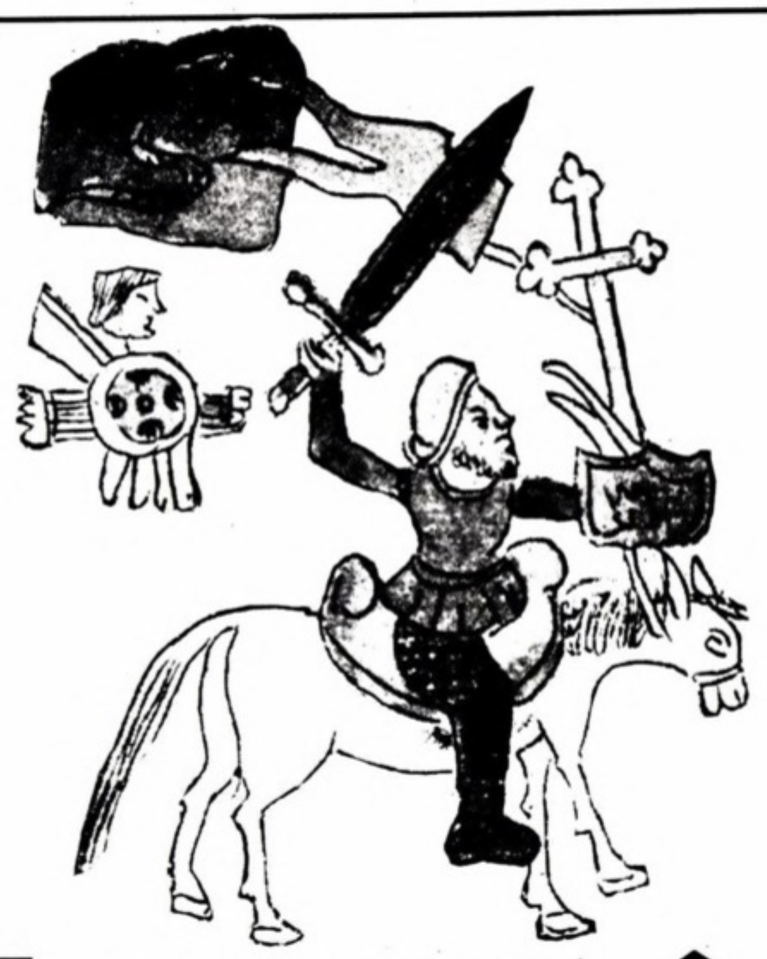


1 THE SILK ROAD

Before 600 AD Two thousand years ago a web of complex, advanced societies stretched across the southern half of Europe and Asia. China traded silk along the 'Silk Road' that stretched 2,500 miles across Asia. India exported textiles, the Roman Empire gold, silver, wine and glass. Once the monsoon winds were discovered, small sailing ships could leave the coastlines and travel across the Arabian Sea from India to Arabia in the winter months, and back again in the summer.

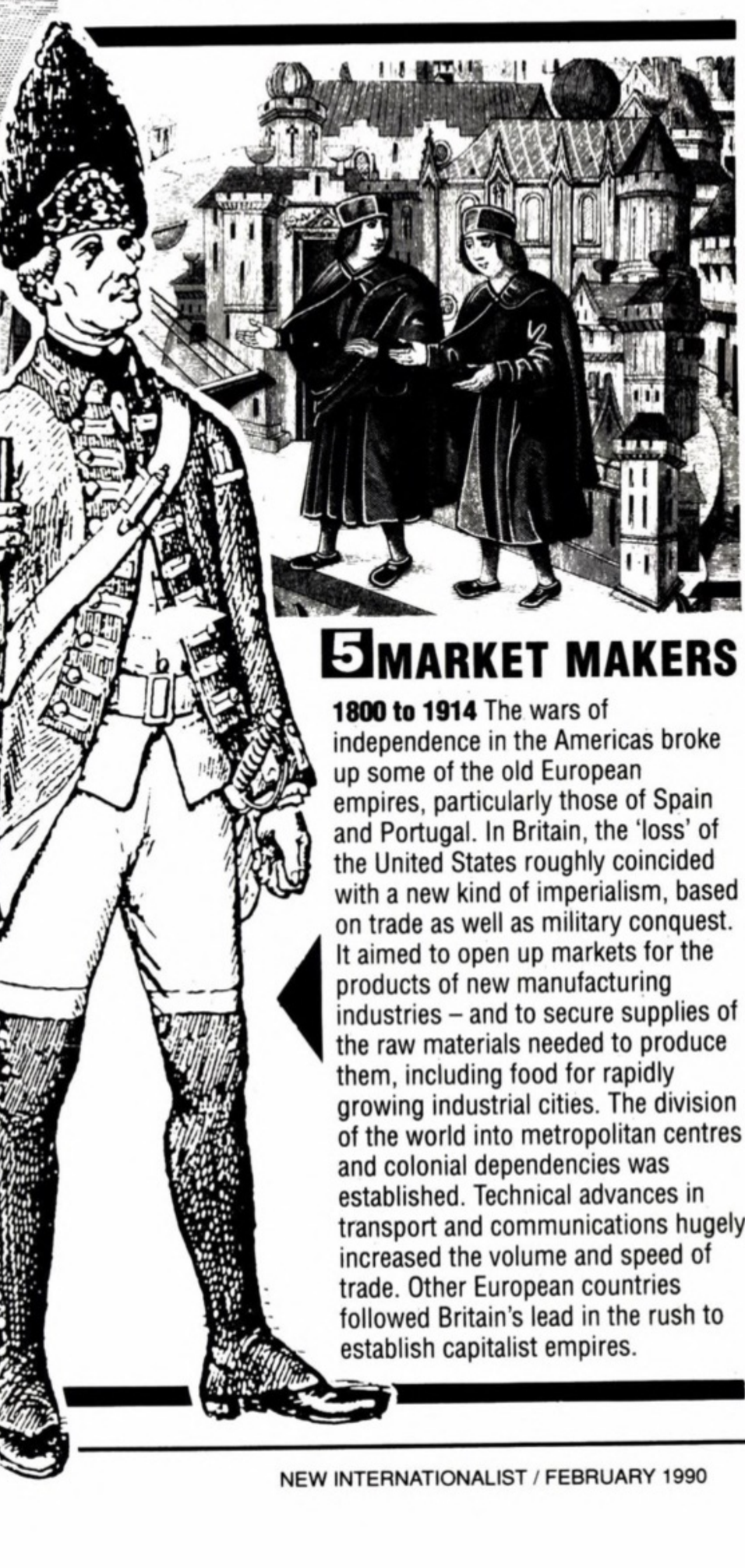
2 FOLLOWING THE QU'RAN

600 to 1500 For hundreds of years Arab civilization, based on trade, dominated large areas of Africa, Asia and Europe. After the death of the Prophet Muhammad in 632, trade followed the spread of the Muslim faith to the borders of China in the east, Spain in the west, Mongolia in the north and the great African kingdoms of Mali and Songhay in the south. Trade in textiles and carpets, ivory, gold, spices and ceramics covered vast distances, linked by the Arabic language and an educated culture. Sugar growing and refining; mangoes and plantains; chess and algebra: all of these followed the Qu'ran.



3 BARRIERS BREACHED

1500 to 1800 By 1500 much of the rest of the world was more advanced, culturally and economically, than Europe. In Italy, trade with the Levant through Venice played a part in stimulating the Renaissance of European culture and art. The European voyages of 'discovery' – intended to get round Arab domination of trade with the East – found civilizations that astonished them. The riches they returned with were plundered, not created. Conquest and domination were their objectives, together with the spread of the Christian faith. But the barrier of the oceans had been breached.



4 EMPIRES

1600 to 1800 Trade was the motive behind the establishment of the European empires. Spain and Portugal were the first to establish colonies in the Americas, Africa and Asia. Britain, France and Holland followed. Trade was controlled by the state, and monopolies were granted to companies such as the British East India Company. Trade was a matter of national prestige, and wars were fought over it. Slaves were taken from Africa to the Americas to work the plantations that produced sugar, tobacco and cotton. Trade in slaves was a key element in the triangular trade between Europe, Africa and the Americas.

5 MARKET MAKERS

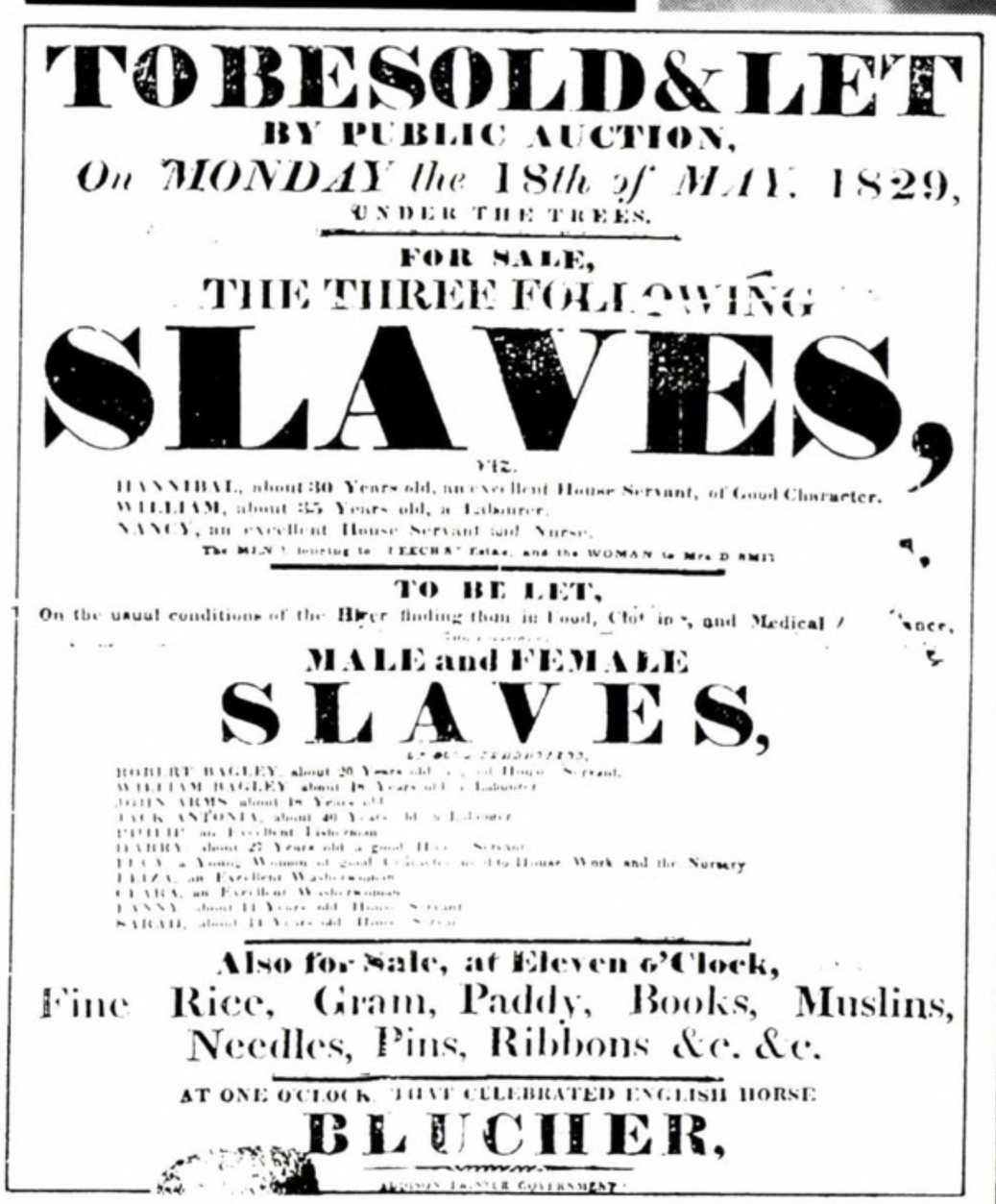
1800 to 1914 The wars of independence in the Americas broke up some of the old European empires, particularly those of Spain and Portugal. In Britain, the 'loss' of the United States roughly coincided with a new kind of imperialism, based on trade as well as military conquest. It aimed to open up markets for the products of new manufacturing industries – and to secure supplies of the raw materials needed to produce them, including food for rapidly growing industrial cities. The division of the world into metropolitan centres and colonial dependencies was established. Technical advances in transport and communications hugely increased the volume and speed of trade. Other European countries followed Britain's lead in the rush to establish capitalist empires.

All illustrations on this page from the Mary Evans Picture Library

4 SLAUGHTER AND SLAVERY

1500 to 1800 By far the most valuable trade during this period was in slave labour. Slavery was common in earlier societies, but nothing on this scale had ever taken place before. The slaughter by the Europeans of the peoples of the 'New World' depopulated the American continent. To replace them as a labour force between 10 and 12 million slaves were shipped from Africa to Brazil, the Caribbean and North America, thus depopulating another continent. Conditions on board the ships were so appalling that at least two million of these people died before reaching their destination. Those who survived laboured on the farms of colonists to produce the sugar and tobacco for which Europeans were now developing a taste.

Photo : International Labour Office



TO BE SOLD & LET
BY PUBLIC AUCTION,
On MONDAY the 18th of MAY 1829,
UNDER THE TREES.

FOR SALE,
THE THREE FOLLOWING

SLAVES,

VIZ.

HANNIBAL, about 30 Years old, an excellent House Servant, of Good Character.
WILLIAM, about 35 Years old, a Labourer.
NANCY, an excellent House Servant and Nurse.

The MAN [illegible] to TEECHA' Estate, and the WOMAN to Mrs D SMITH

TO BE LET,

On the usual conditions of the Hirer finding them in Food, Clothing, and Medical Attendance,

MALE and FEMALE

SLAVES,

[illegible]

ROBERT BAGLEY, about 20 Years old, a good House Servant.
WILLIAM BAGLEY, about 18 Years old, a Labourer.
JOHN ARMS, about 18 Years old.
JACK ANTONEY, about 40 Years old, a Labourer.
PHILIP, an Excellent Fisherman.
HARRY, about 25 Years old, a good House Servant.
[illegible] a Young Woman of good Character, to do House Work and the Nursery.
ELIZA, an Excellent Washerwoman.
CLARA, an Excellent Washerwoman.
FANNY, about 14 Years old, House Servant.
SARAH, about 11 Years old, House Servant.

Also for Sale, at Eleven o'Clock,
Fine Rice, Gram, Paddy, Books, Muslins,
Needles, Pins, Ribbons &c. &c.

AT ONE O'CLOCK, THAT CELEBRATED ENGLISH HORSE
BLUCHER,

[illegible] UNDER GOVERNMENT

6 WAR AND DEPRESSION

1914 to 1945 The competing European empires fell into open conflict. They pulled much of the rest of the world with them into a catastrophic sequence of two wars separated by the Great Depression of the 1930s, when millions of people around the world were impoverished. Nation states put up trade barriers to try to insulate themselves from the effects of the Depression. This only made things worse, and trade almost ground to a halt. The rise of the US as the most powerful economy in the world – and as a decisive influence on the outcome of both World Wars – swept away the dominance of Europe.

Photo : Mary Evans Picture Library

7 RICH WORLD CLUB

1945 to 1970 After 1945, with the world apparently divided between two superpowers, the US convened a conference at Bretton Woods to establish a new international economic order. Trade was seen as a key component in recovering from the War and competing with 'communism'. The General Agreement on Tariffs and Trade (GATT) was established to fix trading ground rules and try to avoid a recurrence of the disastrous protectionism of the 1930s. It was a 'rich man's club' which excluded most of the world, now slowly divesting itself of its colonial past and establishing independent nation states. Japan and West Germany shook off the devastation of defeat in war to become highly successful trading economies. But the old economic order, in the shape of the division between rich 'developed' countries and poor 'underdeveloped' countries exporting raw materials to the rich, remained largely untouched. So did the Communist states of Eastern Europe, the Soviet Union and China, frozen in the Cold War.

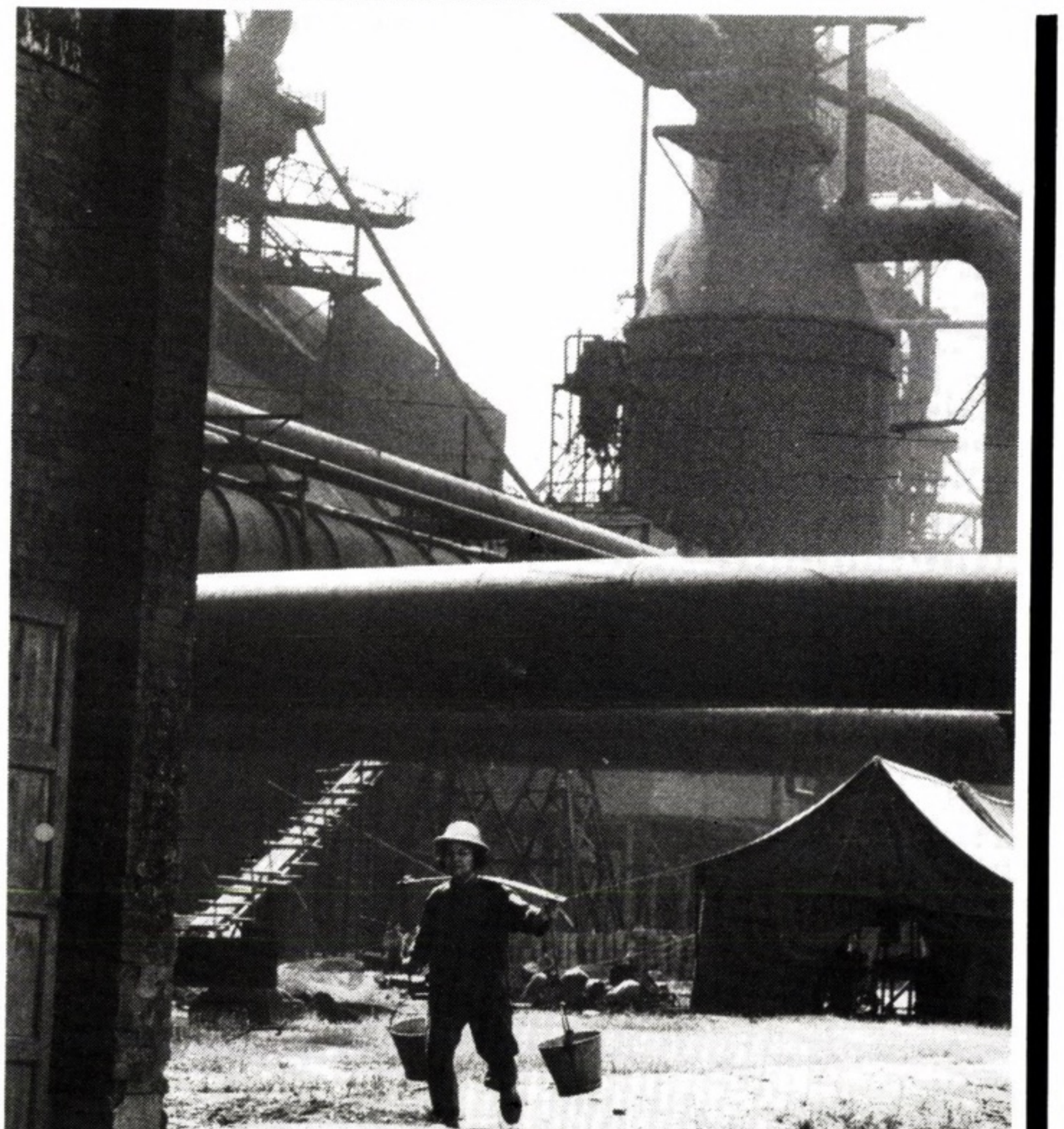


Photo : Claude Sauvageot

8 THIS SHRINKING GLOBE

1970 to 1990 The oil crisis of the early 1970s threw the Bretton Woods settlement into confusion and raised fears that the 1930s would return again. Further rapid advances in transport and communications 'shrank' the world and increased the potential of world trade to generate wealth. The lessons from Japan and West Germany were not lost on many poorer countries who began often painful and authoritarian attempts to follow suit. Towards the end of the 1980s, the Soviet empire began to break up and the US fell heavily into debt with the Japanese.

World trade has become an active partner in the destruction of the environment and, particularly since the economic recession of the early 1980s, has left the poorest countries even further behind the rich. Trade is certainly shrinking the world – but is it sinking it too?

Photo : Maggie Murray/Format

Fair trading

The dice are loaded against traders from the Third World – and most of us are not in a position to change the rules of the game. But small organizations all over the West have started to trade in a very different way. Here Graham Young explains how they work – and the NI introduces some of the key groups in its readers' countries.

BACK in the heady days of student revolt and social idealism in the 1960s, it was already clear that it was going to take more than just aid to deal effectively with poverty in the Third World. Activists looked for new solutions. An increase in spending on development education at home by aid agencies was one response. Another was the alternative trading movement.

This new movement was rooted in Western people's sense of their own complicity in the underdevelopment of the Third World. The problems of world development are not just 'over there'. Many are caused, or at least exacerbated, by factors 'over here'. The terms of trade provided the classic example. You know the sort of thing. A tractor which cost five tons of Tanzanian tea in 1973 cost double that 10 years later. The less developed countries were (and still are) running just to stand still. It is nothing short of hypocrisy to give aid from the surplus we make out of an unequal and abused power relationship. Or to put it another way, 'Don't buy my harvest cheap and offer me charity'. However, international trade was also seen as a primary engine of development so it would not have been appropriate simply to withdraw.

INTERNATIONAL

International Federation for Alternative Trade

PO Box 2703, 1000 CS Amsterdam, The Netherlands.

IFAT will provide a comprehensive list of ATOs in your country: what appears below is only a selection.

AOTEAROA/NEW ZEALAND

Trade Aid

PO Box 18620, Christchurch. Tel: 887 016.

Trade Aid is the only non-profit alternative trading organization in Aotearoa. It started importing in 1973. It aims to promote economic justice by trading fairly while at the same time educating its own workers and the rest of Aotearoa about trading injustices and their causes.

Trade Aid employs a system of positive discrimination, giving small co-operatives (especially women's co-ops) an opportunity to sell their products. It pre-pays many of its craft producer groups (some as much as 12 months in advance) so that they can buy raw materials for production. It also checks out cultural festivals, local traditions and agricultural cycles to avoid putting undue pressure on producers.

One of Trade Aid's principles is now fighting injustice within Aotearoa as well as overseas. It has sought out alliances with local Maori co-operatives. One of these, Tuia, was formed less than two years ago within the prison walls of Paparua and is made up exclusively of young Maori offenders. The members of Tuia formed their own unique rehabilitation programme, carving bone earrings and pendants. Trade Aid has taken on the dual role of potential exporter and marketing agent, and in this sense it now faces the same problems as its own producer partners in India or Kenya.

AUSTRALIA

World Development Tea Co-operative

PO Box A559, Sydney South, NSW 2000. Tel: 02.281.6822.

Also PO Box 117, Fitzroy, VIC 3056. Tel: 03 419 5588.

The Tea Co-op began operation in the mid-1970s and grew out of concerns raised by UNCTAD. It imports a range of pure Ceylon teas from Sri Lanka which it markets under the 'Trade Winds' label. All value-added processing to the tea occurs in that country. Tea users are encouraged to look at the other goods they buy and how Third World producers are affected by the market and import systems in place. The Co-op stresses that it is important for people to learn that problems of world trade are complex, that they have a long history, and that structural change *is* difficult.

Trading Partners.

101 Young Street, Annandale, NSW 2038. Tel: 02 569 3666.

Trading Partners has links with 26 Third World countries. It deals directly with local producer groups, paying the price they determine and *never* bartering. There are no middle managers. They offer Third World producers advice on export procedures, quality standards, design and selling, and ensure that all items are produced with integrity to local traditions. Australian sale prices are based on the original purchase price plus costs. All goods are sold through a volunteer network. Trading Partners always talks about craft in the broader context of culture, not just that of trade.

CAA Trading

PO Box 104, Enmore, NSW 2042. Tel: 02 516 5722.

CAA Trading has had so much success that it can't keep up with demand ... from Third World producers asking the organization to

Some people lobbied and campaigned about the injustices of trade; some educated. Others attempted to get more directly involved: 'Let's try and do something about the lousy deal that producers in the Third World get'. They set up their own companies to trade with the Third World on a fairer basis.

The International Federation for Alternative Trade (IFAT) now has the names of some 40 Western organizations from North America, Europe, Australasia and Japan. There are still more who are trying to develop the same principles but from a base in the developing world.

The products sold by these alternative trading organizations (ATOs) vary considerably from group to group. Overall they include crafts, both decorative and utilitarian; foodstuffs, particularly coffee and tea; and textiles, both as clothes and household goods. Some extend their ranges by selling non-Third World goods such as recycled paper.

The sales channels also vary. Some are based very firmly on local action groups who have ultimately joined a national organization. They sell through their local groups' shops. Others have started from a national base and developed locally a movement of volunteer representatives. A few sell through their own shops or mail order. Some act as wholesalers to commercial outlets. And there are some which do all of these things.

Wherever they are based, they share four basic principles agreed at the most recent IFAT conference. They aim to:

- co-operate with the poor and oppressed in Third World countries, to improve living conditions mainly by promoting trade in products from those countries
- provide information when selling products, to increase awareness of unfair international structures
- reflect in their own structures a commitment to justice, fair employment, public accountability and progressive working practices.
- campaign for fairer trade

Around these principles there is a huge diversity but there are broadly two kinds of ATO. One sort takes the producers as its starting point and will try to sell whatever they produce. This sounds good in principle but it means you can end up with some rather unusual or unsuitable products – and it may not help in the process of awareness raising.

The other kind of ATO is orientated towards the Western market, keeping a clear eye on the selling potential. These organizations will work with producers to meet a particular market niche. The drawback here is that the desires of the producer can get lost in the process.

The best must lie somewhere in between – and a lot of ATOs occupy this middle territory. But alternative trading is not just about selling products in order to provide jobs in the Third World. I'd say it also means:

- buying from groups who have social as well as financial objectives and who are not necessarily the cheapest
- assisting producers with designs, helping them realistically price their products (often leading to a price rise), organizing stock control and paying in advance with interest-free loans
- sticking with producers during hard times, social unrest, adverse weather conditions and even dishonesty
- spending money on raising awareness in the West by means of campaigning and education at the point of sale
- trying to operate fair business practice in your home operation
- doing justice, but more than that – going further than might justly be expected. In my own organization, Traidcraft, we use the phrase 'acting in love and justice'. This reflects our Christian roots but it is also a useful way of describing the general concept.

Hot seller: a Tanzanian Makonde carving.

Photo : Marion Kaplan

All of this has to take place in a fiercely commercial world where profit is the arbiter of success. ATOs have to make a profit but if you want to judge their success you will have to look at more than just the bottom line. How are the producers with whom they work developing? How much of a force are they in awareness raising? The difficulty for ATOs is not to use their social objectives as an excuse for inefficiency.

This is a live issue in the movement at present. Some people believe that as ATOs become increasingly professional they are losing touch with their own roots: Third World producers and Western volunteers. But others believe, as I do, that becoming more efficient and professional is necessary if we are to prove we can make a difference to international trading relationships. □

Graham Young works for Traidcraft, the second biggest ATO in the UK.Address: Kingsway, Gateshead, Tyne & Wear, NE11 0NE. Tel: 091 491 0591.

take their products! A spin-off from the major aid agency, this trading operation started ten years ago and now has 11 shops and a mail-order division. It imports goods from southern Asia, Africa and Latin America, with the major sources being India, Thailand and the Philippines. Aboriginal groups also supply a range of products. CAA see considerable scope for expansion.

CANADA

Bridgehead Trading

424 Parkdale Ave, Ottawa, Ontario K1Y 9Z9.

Canada's main alternative trading operation is owned by Oxfam-Canada. Bridgehead distributes a wide range of Third World products – Nicaraguan coffee, Andean crafts, native Canadian wild rice, Mozambican cashews. Products are not supplied by transnationals but by 'artisan groups and farmers' co-operatives working to improve living conditions for their families and communities'. Catalogue on request.

UNITED KINGDOM

Twin Trading

345 Goswell Road, London EC1V 7JT. Tel: 01 837 8222/3/4

Twin Trading helps Third World organizations to engage successfully in international trade, often for the first time. It enables producers to improve the quality and standards of their products, to do more of the processing and refining, to be responsible for packaging, transportation and export, to do their own repairs, to develop their own technical infrastructure and manufacturing capacity. This kind of aid generates independence and encourages local initiative and control. It is, much more than aid, a way forward to real development.

Campaign Coffee Scotland

29 Nicolson Square, Edinburgh EH8 9BX. Tel: 031 667 0905.

Imports and markets foodstuffs from Nicaragua, Mexico and the Front Line States of Southern Africa and is currently helping to encourage exports from Palestine. Believes that individual consumers can make decisions affecting persecuted peoples and emphasizes the benefits of 'ethical' products and positive choices.

Oxfam Trading

Murdock Road, Bicester, Oxon OX6 7RF Tel: 0869 245011.

Oxfam Trading is the largest alternative trading organization in the UK with sales of £11 million per year, largely through Oxfam shops and mail order. 55 per cent of their sales are of products from small enterprises throughout the Third World which are committed to economic and social justice. Oxfam Trading staff and consultants also provide design, marketing and other forms of practical assistance.

UNITED STATES

Friends of the Third World

611 West Wayne Street, Fort Wayne, Indiana 46802-2125.

This group does wholesale distribution of crafts and food from the Third World and poor groups in the US. It has 11 outlets and is eager to assist others in setting up stores. Friends has a bookstore and stresses education on Third World issues.

Pueblo to People

1616 Montrose Street, Houston, Texas 77006. Tel: 800 843 5257.

This group sells crafts and food products from Latin American producers at fair prices mainly through a mail-order catalogue. Pueblo also handles development education products and materials.

HUMAN RIGHTS

Violent arena

Repressive laws enacted in El Salvador

'PLEASE find attached information on recent disappearances – urgent protest action required', read a recent fax message to the London-based El Salvador Committee for Human Rights. The fax contained details of the arrest of a Salvadorean Anglican Church leader and three other church workers; four of the hundreds of Salvadoreans illegally detained by the new far-right Republican Nationalist (ARENA) government since the FMLN guerilla offensive in November last year.

International human-rights organizations rely on such messages for accurate and up-to-date information. But under a new law passed in November, sending such information out of the country has become a crime punishable by five to ten years' imprisonment.

'A project of repression' were the words used to describe the legislation by Segundo Montes, director of the Human Rights Institute of the Central American University. Montes was one of the six Jesuits tortured and killed by uniformed soldiers on November 16. Their deaths have been followed by the murder of several unarmed opposition activists, raids on the offices of human-rights organizations and death threats broadcast by radio. Several opposition leaders have been forced into hiding and exile, including Lutheran Bishop Medardo Gomez.

The 'anti-terrorist' law prohibits peaceful demonstrations and the creation, distribution or even possession of 'propaganda that subverts public order'. There are tough penalties for those whose actions abroad 'could motivate other countries... to intervene in the internal matters' of El Salvador. Supposedly designed to curb guerilla activities, the laws have been interpreted as a thinly disguised attempt to muzzle the press and crack down on unarmed opposition to the ARENA government. 'This is the first step to close all political space,' commented auxiliary bishop Rosa Chavez of San Salvador in a recent homily.

The new law is not the only measure that the Government has taken to block the flow of information coming out of El Salvador. All TV and radio stations have been forbidden to broadcast news of rebel actions or any other military or political matter. One programme announced that it could no longer operate because of government censorship. At least 30 foreign relief workers, many of whom have provided an invaluable service in monitoring human-rights abuses, have been expelled from the country. The human-rights group Americas Watch has stated that their expulsion 'poses a grave threat to continued human-rights monitoring and documentation at a time when abuses are on the rise'.

Mary Cabezas

TANZANIA

Ordeal by ferry

Danger for Dar es Salaam commuters

A close shave for Sosthenes, living to tell his own horror story.

IT was a fine, bright Friday dawn in Dar es Salaam. The birds had begun to chirp from the mango trees that dot the Kigamboni area. My wife Juliana woke early. Theopister, my elder daughter, made the tea while younger daughter Rose swept outside the house. Four other children were still in bed. I showered, ironed and slid into my clothes, drank the tea, picked up some documents and cash and set out for Feri, to cross the 200-metre entrance to Dar es Salaam in a small fishing boat.

The boat could handle 25 people comfortably, but there were well over 50 and you could hardly move. Under our feet were about ten 50-kilo bags of fresh potatoes, tomatoes and fish.

As we were about to depart I craned my neck and saw the Panama-registered Cosmobil Ace looming. The operator of the 25 horse-power outboard engine had it running all right, but it was almost out of petrol.

Twenty metres from the other side the engine stopped. The current took charge, turned the boat and took it into the ship's course. Passengers stood on their toes as if ready to jump out. Then the ship honked. Everyone rushed for nowhere. The boat careened and we all went into the sea - bikes, baskets and loose timber on top of us.

The Cosmobil Ace was heading straight at me. The tricky current played games. It drew me to the ship, slamming me against its side. I pushed the ship with my left hand, but its surface was slippery. After two more pushes I realised I could not get away.

Then a new thought crossed my mind. The rotating propeller could reduce me to mincemeat. But the propeller was not running. The water behind was carpet-smooth.

I saw a sea of terrified heads bobbing in the water. Beautifully pleated heads, small heads, bald heads, blind heads, and dying heads. Among the passengers were three blind people on their way to beg in the streets. They swam hopelessly, all following the current towards the open sea.

I saw our boat again, upside down, five people clinging to it, their legs trailing in the water. The men on the top seemed to bask unworried while the rest of us struggled for life.

A tiny fishing boat came around and two men pulled me out of the sea.

I fainted and came to in hospital about four days later. Nine people died that Friday morning - including two schoolgirls and a child. Life continues, but the Kigamboni creek remains a death trap.

Sosthenes Paulo Mwita/Gemini

CHINA

The terror remains

After Tiananmen Square

'WE can talk about most things but not politics', said a Chinese student friend. That just about sums up the situation in the atmosphere of fear and suspicion that is abroad in the wake of the Tiananmen massacre. A cloud has descended over the country as Government reprisals continue, although they now receive less publicity in the West than immediately after the military crackdown of June 1989.

The mass arrests of pro-democracy activists appear to have subsided but police sirens can often be heard in the capital as more 'suspects' are picked up. Thousands languish in prisons for their part in demonstrations and signing petitions which called for more openness in Chinese society. Estimates put the numbers executed at over a hundred but it could be a lot more. The true figure may never be known. Many have received long sentences of hard labour in 're-education' institutions for daring to speak out against oppression and corruption.

In the capital, establishments where there was intense pro-democracy activity, such as the prestigious Beijing University, have found departments closed down and staff suspended. Their future conduct will be closely monitored.

The new academic year of 1989 saw the numbers of fresh enrolments slashed by the authorities in an effort to stem the tide of youthful opposition. Plans to modernize China by the year 2000 now appear unattainable, as does the stated desire to keep the 'open door' policy intact.

The feeling on the ground, however, is that most people are merely going along with the 'big lie', only superficially accepting the official version of events on that tragic weekend in June. This is what the authorities fear. They remain vigilant over a people they can no longer claim to rule legitimately with a 'mandate of heaven'. Deng's death, always an imminent possibility, may be the trigger to spark off more protests and calls for political change.

Ruth Cherrington

AFRICA

Polisario pressure

Liberation struggle continues

HOPES for a peaceful solution to the 16-year Western Saharan conflict were shattered in October 1989. The Polisario Front launched two major attacks on the defensive wall which Morocco has built across the desert and there were several hundred deaths. After nine months of relative calm, the renewed outbreak of fighting was caused by King Hassan of Morocco's refusal to hold further talks with Polisario, who have been fighting for an independent Western Sahara since 1973.

The war of attrition persists for a state in exile, Western Sahara.

Photo : the authors

When Spain ceded its former colony to Morocco and Mauritania in 1975, a large proportion of the indigenous Sahrawis, whose right to self-determination had been flouted, fled to the Tindouf region of Algeria. It is from here that the Sahrawis' national liberation movement, Polisario, have been waging their war against the Moroccan invaders. There are now over 160,000 refugees, with their own government, the Sahrawi Arab Democratic Republic (SADR).

Over the past 14 years, under the progressive administration of the SADR and with substantial aid from Algeria, the refugee camps have evolved from a chaotic cluster of makeshift tents into a well organized 'state in exile'. Irrigated vegetable gardens bloom in the desert and small-scale factories produce and repair textiles, timber products and electrical and mechanical goods. Health care has improved dramatically with an extensive network of hospitals, nutrition centres and trained Sahrawi doctors. The efficiency of the educational system has provided the Sahrawis with one of the highest literacy rates in Africa.

By 1979 Polisario had forced Mauritania to withdraw its claims to the Western Sahara but this only led to Morocco extending its occupation over the entire territory. Following Morocco's construction of a continually expanding system of defensive walls, equipped with mines, sophisticated detection systems and up to 150,000 troops, the war has reached a stalemate. While continuing its 'war of attrition', Polisario has been concentrating its energies on the diplomatic front: 73 states now recognize the SADR and both the UN and the Organization of African Unity are pressing for a referendum as the only just means of determining the Sahrawis' future.

Thomas Llewellyn and George Theodore

DISARMAMENT

Swapping weapons

Two reports call for change

THE dramatic events in Europe offer a unique opportunity to cut the vast amounts currently spent by the world every year on arms. But the arms industry is exerting pressure to increase arms expenditure because of the uncertainties of what experts are now calling a 'multipolar world'. Efforts are being made to redirect surplus production in Europe, which trade union estimates put at 40 per cent of the total, to developing countries.

The Stockholm International Peace Research Institute (SIPRI) Yearbook for 1989 shows that a fall in military expenditure in 1988 did not bring a corresponding decrease in the militarization of the Third World.[1] Arms sales to the Middle East declined, but South East Asia increased its share of Third World sales from 12 per cent in 1984 to 22 per cent in 1988.

The debt crisis means that public expenditure in many Third World countries is being cut. But if defence budgets are cut discontent may grow in the armed forces – particularly if cuts in housing, health and education result in popular unrest.

Meanwhile, the Washington-based Worldwatch Institute sees the present levels of military spending and research in rich and poor countries as a major threat to the environment.[2] While militarization weakens a country's economy, Worldwatch argues, environmental security could come to form the basis for co-operation between nations. Defence/environment swaps should be added the debt/environment swaps.

For the first time in 40 years, there is the prospect of a complete rethink on defence and the chance to redirect resources to development. This will require Western politicians to grasp a new vision, as their Eastern European counterparts seem to have been able to do.

Geoffrey Tansey/Gemini

1 *SIPRI Yearbook 1989: World Armaments and Disarmament* (OUP, UK price £37.50). 2 *National Security: The Economic and Environmental Dimensions*, by Michael Renner, Worldwatch Paper 89 (published by Worldwatch Institute, 1776 Massachusetts Avenue, N.W., Washington DC, 20036, US, $4.00)

SHELTER

The law,
in its majestic equality,
forbids the rich
as well as the poor
to sleep under bridges,
to beg in the streets,
& to steal bread.

Anatole France

Underneath the arches

Homelessness in London is assuming alarming proportions. Some facts:

- About 2,000 people sleep rough nightly under arches and on park benches in central London
- September 1987 saw 18,906 people living in temporary accommodation. By March 1989 there were 24,578, an increase of 30 per cent.
- In 1975 local authorities started building 20,100 new homes. In 1986 the figure was 1,200
- In 1988 30,000 people were squatting in the city.
- London boroughs spent almost £88 million ($141 million) on bed and breakfast accommodation in 1988/9. In 1981 the figure was just £4.3 million ($6.9 million).

From City Limits, No. 422, statistics from Shelter, London Research Centre and Association of London Authorities

AUSTRALIA

Voyage of death in the Gulf

Every year seven million sheep are exported live from Australia to the Middle East in a trade that earns Australia A$175 million. Half of them go to Saudi Arabia. The Australian Agricultural Health and Quarantine Service admits that more than a million have died in transit over the last five years. The survivors are destined for ritual slaughter.

Over 1989 six shiploads, totalling more than 400,000 sheep, have been refused entry into Saudi Arabia because of alleged disease. Some have orders to return to Australia but quarantine restrictions will not allow them re-entry. Generally they are hawked around other Gulf States in temperatures of 50°C/120°F. Sick, injured and dead sheep are thrown overboard to the sharks that follow in their wake.

Surely this is enough, argues Compassion in World Farming, to convince world leaders that the trade in live animals should be phased out and replaced by refrigerated sheepmeat?

From Agscene 97, Newsletter of Compassion in World Farming

CAMEROON

Prison despair

Both criminal and political prisoners are being held in appalling conditions in Cameroon gaols, according to an Amnesty International report. There is overcrowding, the denial of basic rights of political prisoners and deaths of prisoners from malnutrition and lack of medical care. Nkondengui prison was singled out for its shocking record. According to Amnesty, '...as many as four or five prisoners were dying every day during certain periods in 1987 and 1988 ... 44 prisoners had died in one month alone, December 1987, 42 of them from malnutrition.' Prison deaths are reported daily over the radio – this being the only way of telling the families, who are asked to collect the bodies.

The overcrowding partly results from harsh sentences for trivial crimes. *Africa International* reports one sentence of four years' imprisonment for a prisoner who stole a pair of shoes, and another of eight years for stealing three pastries, a mincer, a hot plate, and three kilos of meat.

From Committee for Human Rights in Cameroon, BM Box 551, London WC1N 3XX, UK

CHILDREN

Fostering Africans

The British Government has responded to pressure from the Save the Children Fund to tighten up the Children's Act, now in the legislative pipeline. Closer regulation is needed to safeguard the children, mainly from Nigeria, who are being fostered privately through magazine advertisements.

The number of West African children being advertised in *Nursery World* is increasing markedly, with nearly 1,000 a year on offer. And nearly twice as many children again are fostered by word-of-mouth contact. Save the Children found that in some cases children were being fostered by people with criminal convictions for violence and indecent assault on their own children. And all the West African children had been placed with white parents who had little or no knowledge about the children's cultural needs.

Now the proposed legislation will bring private fostering in line with that of local authorities, with preplacement checks on proposed foster homes and parents. The bad news is that the law will not be passed before 1992. That's another 3,000-4,000 African children going to unchecked families. Save the Children says this is not good enough and urgent action is needed now.

From Save the Children, 17 Grove Lane, London SE5 8RD, UK

DRUGS

Heroin for the price of beer

The Golden Triangle has never had such a bumper crop of opium as that harvested towards the end of last year in Burma, Laos and Thailand. The record harvest means more heroin is leaving the countries for worldwide consumption, while on the streets of Thailand, a heroin 'fix' can be had for the price of a beer.

The record opium harvest stems from Myanma/Burma's internal troubles. Since mid-1988 when demonstrations in Rangoon and other towns led to a military crackdown, troops have been withdrawn from the remote northern and eastern parts of the country, traditionally the opium-growing regions. Their brutal crackdown on civil unrest led the US Government to cut off its $14 million aid budget which had included helicopters to police the anti-narcotics push.

Now opium warlords and ethnic insurgency groups are producing and refining with impunity; the 1989 harvest is estimated at 2,000 tons, compared with 1,200 tons the previous year.

From Far Eastern Economic Review, 23.11.89

ENVIRONMENT

Amazon flames dwindle

Brazilian scientists are claiming the Amazon rainforest suffered less damage in 1989 during the burning season, from June to October, than it did the previous year. By the end of August some 33,000 square kilometres – the size of the Netherlands – is said to have been burnt. This is less than one-third of the total area burnt last year.

The fires, lit to clear the ground for farming and to stake a claim, have been damped down by unseasonal heavy rainfall.

From Environment Digest, No. 29 1989

"endquote"

Monarchical delusions (or count the royal 'we's')
Interviewer: How are you? You have been under a lot of pressure this week.
Margaret Thatcher: We had pressure for much more than a week. Long journeys are quite pressuresome. We went across to Japan for an official visit and then for an International Democratic Union conference. We called in Moscow on the way back. We got back. We then had the whole run-up to the party conference. We went to Nottingham. We did several regional tours in that week and then we had the whole week for the party conference – which was very successful – and then we came back and we unpacked and we did the speeches and the briefing for the Commonwealth Conference, and on the Monday we took off for Malaysia and we went out via Bahrain, and stopped there, and then we came back via...

From the UK's Sunday Correspondent, 5.11.89

Possums at play

Be it Soviet or Western, classical imperialism is dead, the pundits say. Ashok Mitra agrees. But he sees little cause for celebration, perceiving the potential for more efficient slavery.

THE proponents of *perestroika* could not be more right: classical imperialism has had its day.

But so what? The surrogate arrangements are far superior. No need to occupy a territory. No need to indulge in shootings and killings. No embarrassment caused by hostile resolutions passed at the United Nations General Assembly.

What a contrast to the messy ways of the past. Nineteenth-century imperialism went on the rampage and took control of distant lands. The subjugated nations were forced to give up their resources, including food and raw materials, to the victors. They were also forced to pay through the nose for the finished goods the victors dumped on them.

It is only by such means that imperial nations were able to reach the dizzy heights of prosperity they attained. Classical imperialism also took care to keep the enslaved and colonized away from economic development, and the terms of trade were perennially tilted against them.

Neo-colonialism, coming to full bloom in this fading quarter of the twentieth century, has repeated each of these imperial successes - but with infinitely greater finesse.

It has been a magnificent triumph. Look, no troops; look, no military bases; look, no messy colonial wars and look, no onus of administering conquered territories infested by hostile aliens.

The Western capitalist countries have never had it so good. The international distribution of income swings further in their favour with each passing day: the proportion of global income going to the world's poorer economies is now significantly less than it was 10, 20, or 30 years ago. Instead, the poor developing countries now owe as much as $1,300 billion to the West and its banks. To 'service' this debt – that is to cover the interest charges and repayments – they have had to set aside close to $300 billion, something like 25 per cent of their total export earnings. The idea of poor countries using their own resources to further their own economic advance becomes increasingly out of the question. These developing countries effectively cease to develop.

Should this neo-colonial model be permitted to run its course without fuss or interruption, why, come another 50 years, and these poor nations, squeezed beyond endurance, might even line up and beg to be formally placed back in bondage – provided that act of contrition entitled them to a morsel of food, to a stitch of clothing and to a small phial of medicine.

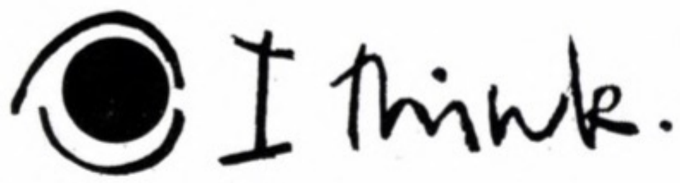
All this flows from a fusion of philosophy and praxis on the part of the World Bank, the International Monetary Fund, the international private commercial banks and the transnational corporations. But to be fair one should also acknowledge the silent, helpful role played by occasional collaborators within the leadership of this or that 'developing' country. They may fulminate during the night against the perfidy of Western governments and institutions; but during the day they will have signed a deal with this government or that transnational corporation and have sold their country down the river in the interests of some trifling personal consideration.

Neo-colonialism cannot afford to rest on its laurels; nor can it allow itself to be distracted by appeals to so-called humanitarian instincts. If the President of Peru is so unreasonable as to suggest that his country will set aside only 10 per cent of its export earnings to service external debt and the rest of these earnings will be used to finance the nation's economic development, he should be disciplined immediately. The executive board of the International Monetary Fund must meet at an emergency session and debar Peru from enjoying any of its facilities.

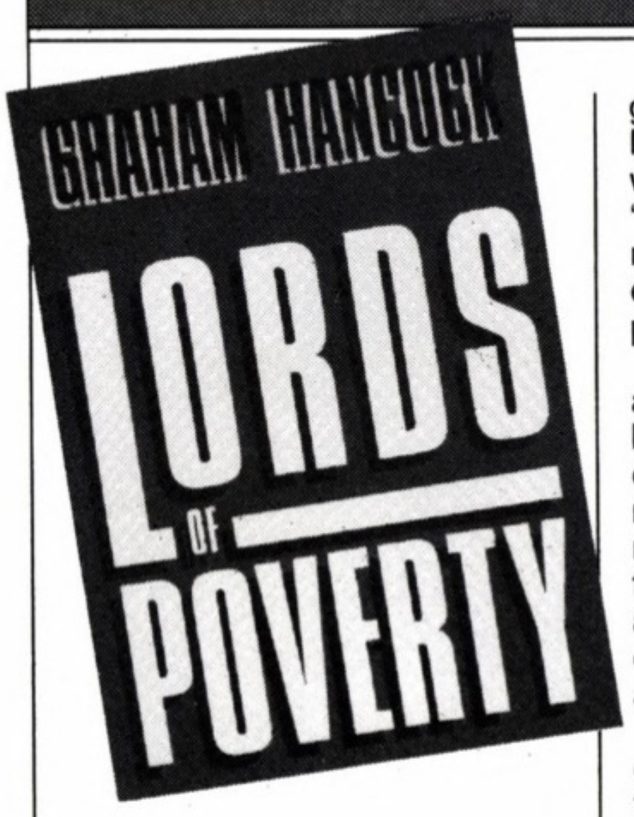
Still, there are appearances to keep up. From time to time, there will be a Baker Plan or some such, containing pledges to increase 'aid' to the world's poor, full of talk about rescheduling debts or writing off half a per cent of the total debt burden. New credit 'windows' will be offered to debt-burdened countries; so will fresh global negotiations about reducing trade tariffs. After all, the 'open society' has its enemies. They must not be given any handle to exploit the sentiments of the poor and the starving.

The state of bondage is for ever. You only call it by a different name in each era.

Ashok Mitra is a former finance Minister in West Bengal's Left Front Administration.



by Martyn Turner



BOOKS

Lords of Poverty

by Graham Hancock *(Macmillan)*

It's not often such a maverick book hits these review pages. **Lords of Poverty** is a critical exposure of the way that the $50 billion in overseas aid from rich countries to the Third World is spent. Now criticizing aid, or generosity, is like criticizing motherhood – it's not the done thing. And some of the tone of Hancock's writing –'It is time for the Lords of Poverty to depart' – is a cross between high moral preaching and the lower shades of scriptwriting for *Star Wars*. For sure, this book is going to win the writer a lot of enemies – already has if his dedication to the World Bank staff who 'illegally acquired' his early manuscript is anything to go by.

Here is a grab-bag of foul-ups, incompetence and arrogance by the overseas-aid industry spiced with a degree of scurrilous gossip. The electric blankets, high-heeled shoes and diet foods all sent to Somali drought victims... The appalling way the Food and Agriculture Organization is run... The massive and cruel adjustment programmes insisted on by the International Monetary Fund and World Bank teams ... In a breathless way this spills over into much slighter nonsense about worthwhile agencies like UNICEF and the UN Development Program.

The book suffers from the machine-gun approach and rifling in on the main targets of Hancock's wrath – the IMF/World Bank and the international bureaucracy of aid staff – would have helped. For sure it is *our* money, taxpayers of the West, that has been used to speed up the massive tragedies of the destruction of the Amazon rainforest, Indonesia's cruel transmigration program and the grotesque series of giant dams being built on the Narmada River in India. For without World Bank loans these 'development' projects would never have happened. The earth would have been a better place without them.

Hancock's conclusion is that all, repeat all, official aid should be stopped – this is aid to governments; that from charities reaches poorer people much more effectively. He believes that stopping official overseas aid would be one of the most effective ways to help the poor and exploited.

Whether you agree with that or not – and it would be strange to jump into the same bed as The Heritage Foundation – **Lords of Poverty** is compulsive reading. Anyone connected with the overseas aid lobby has to read it and ask themselves hard questions, delve into the attics of their subconscious and dust down ideals which may have turned into little more than useless baggage.

Politics ☆ ☆ ☆ ☆
Entertainment ☆ ☆ ☆ ☆

The Fate of the Forest

by Susanna Hecht and Alexander Cockburn *(Verso)*

This book begins and ends with a barrage of brilliance. Hecht and Cockburn combine their talents (she as an academic, he as a journalist) to give us what some of us have been waiting for – a thorough, informed and impassioned account of the relationship between the great rainforest and its people. Amidst all the destruction, they hold out hope for what they call the 'ecology of justice'. The start and the finish are essential reading for anyone with more than a passing or morbid interest in the future of the planet.

In between is a tale that gets a bit limp and runs out of puff. It's as if the volume of historical exotica offered up by the Amazon had somehow suffocated the writing. Incredibly enough in a book of this sort the photographs are thrown in as a skimpy afterthought. More judicious editing might have worked wonders.

This is a pity. But it should not detract from the urgency of what the book has to say. No-one quite knows how many people once lived in the forest, but only a fraction of their number live there today. It's not just the trees, but the people, that have been felled.

'The forest is one big thing; it has people, animals, and plants. There is no point saving the animals if the forest is burned down; there is no point saving the forest if the people and animals who live in it are killed or driven away.' Hecht and Cockburn leave Paiakan, a Kayapo leader, to make the point of the book. Ecology and justice are, they argue, mutually dependent. Let's hope, for all our sakes, they are right.

Politics ☆ ☆ ☆ ☆
Entertainment ☆ ☆ ☆

FILM

Yaaba

directed by Idrissa Ouedraogo

Burkina Faso: across an arid, starkly attractive desert landscape a young boy and girl, Bila and Nopoko, play hide and seek. A tall, wizened old lady, Sana, her face heavily lined with the years, watches with affectionate interest and helps the boy win the game. It's the start of a close understanding between them. Bila calls the old lady Yaaba (grandmother in the Mooré language) and even though she's something of an outcast from his village, she becomes a very special friend. Then, when Nopoko is taken ill, the adult villagers blame Sana's supposed evil powers and burn down her house. Bila however knows better and asks for her help in saving his friend ...

Impeccable both in conception and execution, the strength of **Yaaba** is the elegant restraint of a visual style which manages to be both intimate and detached at the same time. By means of majestically composed long shots with Sana dominating the endless desert vistas, Ouedraogo makes the old lady into a kind of life principle: wisdom, endurance and integrity are seen to be literally etched into her heavily lined face. Meanwhile the routines and petty jealousies of village life go on with a gentle movement of their own. Cattle are minded and water carried, a wife is unfaithful to her drunken husband, a charlatan beggar pretends to be blind and a witch doctor charges an extravagant fee for a useless cure ...

With two faultless central performances (Fatima Sanga as Yaaba, Noufou Ouedraogo as Bila) this is a deliberately timeless, mythic tale with a palpable resonance of universality. Africa may be the location and context, but without a single trace of the twentieth century in costume, custom or technology, the film reaches beyond modern liberal reality into that world of primary emotions which is the stuff of childhood.

A film where little is said but much convincingly shown, Yaaba is uplifting, sophisticated and thoroughly cinematic. See it.

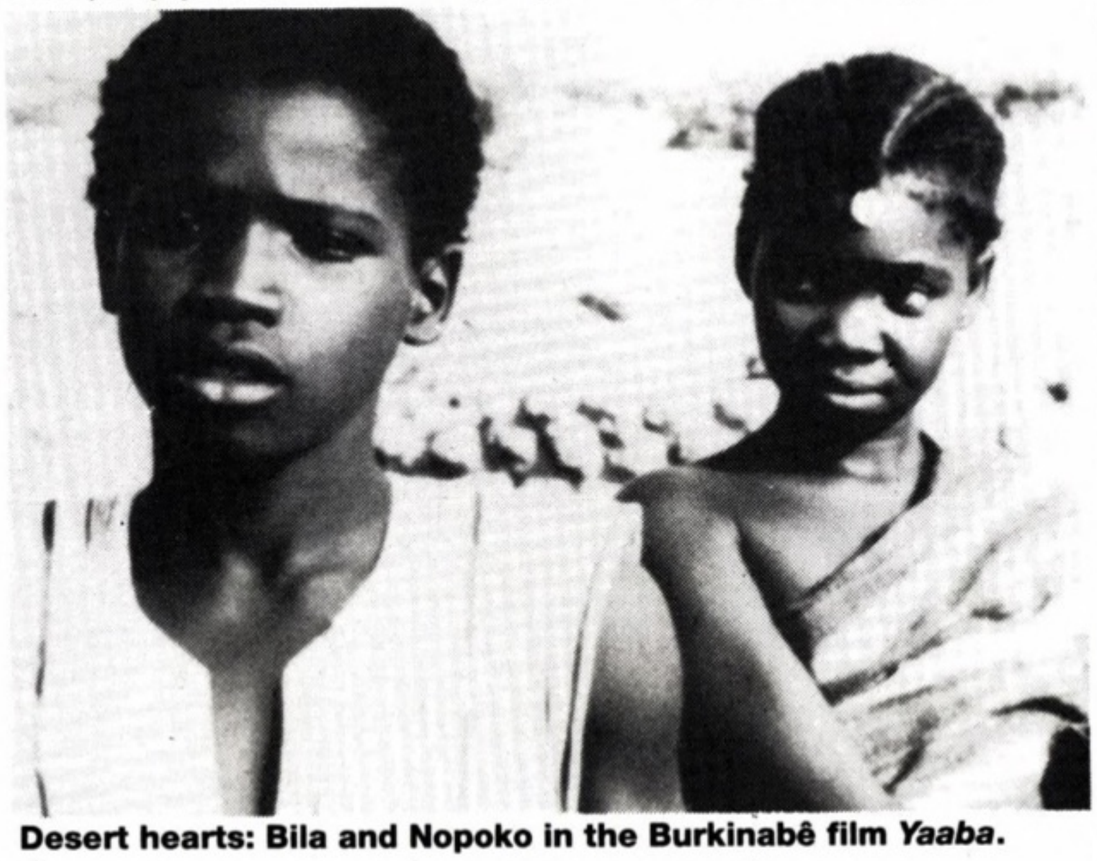
Politics ☆ ☆ ☆ ☆ ☆
Entertainment ☆ ☆ ☆ ☆ ☆

My Left Foot

directed by Jim Sheridan

My Left Foot is one of those rare movies that makes you feel good about people – and about our ability to change the world. The film is the story of Christy Brown, born in Depression-era Ireland with cerebral palsy, a disability which left him unable to speak or control any part of his body except for his left foot. Brown fought his whole life to come to terms with his disability. Through courage and sheer determination he became a painter of some fame and eventually a writer.

Dismissed by his father as little more than a vegetable, he is loved fiercely by his mother and protected by his brothers and sisters. Doggedly, Christy struggles to make his mark, to break through the terrifying isolation which hides a keen mind and a vibrant sense of humour. We follow his progress with rapt attention and total support.



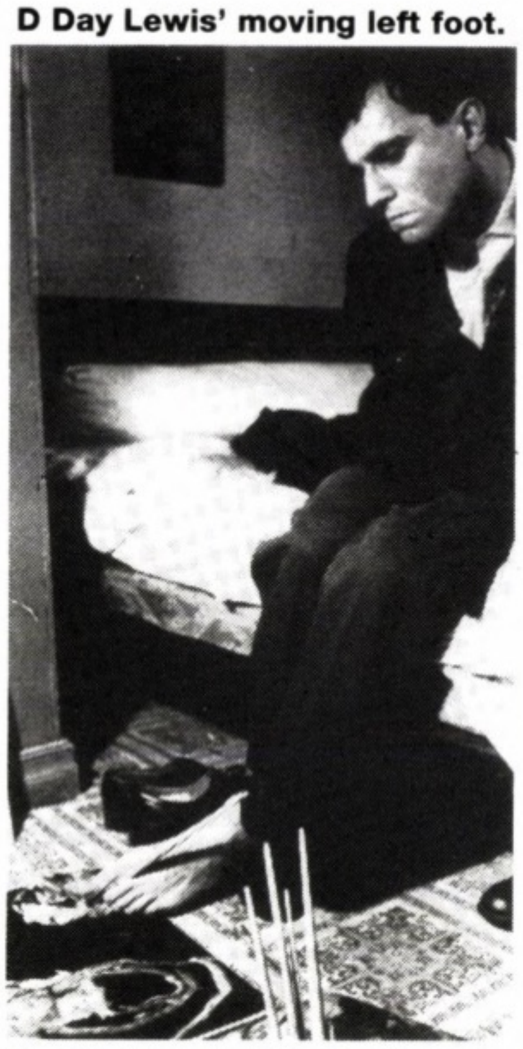
Desert hearts: Bila and Nopoko in the Burkinabê film *Yaaba*.

When the nine-year-old Christy wiggles across the room, awkwardly clutches a piece of chalk in his toes and painstakingly scrawls 'Mother' across the floor there is electricity in the cinema. We scratch out every halting letter with him and share completely in his triumph. When his father hoists him on his shoulders and proclaims proudly, 'Christy Brown, my son, genius', there is not a dry eye in the house.

There have been protests that a disabled actor was not given this plum part but Daniel Day Lewis' performance as the older Christy is nonetheless spellbinding. The real hero, though, is Christy himself. Brown's odyssey: his struggle for self-expression touches the wellsprings of what it means to be human. Christy plunges himself into painting and eventually writes the book on which the film is based. 'I was going to call it *Remembrances of a Mental Defective*,' he tells his future wife at one point in the film. 'That was my blue period.'

This is a myth-shattering movie that shows one disabled man's triumph over adversity.

D Day Lewis' moving left foot.



That it does so with dignity, sensitivity and intelligence is a credit to the film-makers – and a lesson for the audience.

Politics ☆ ☆ ☆ ☆ ☆
Entertainment ☆ ☆ ☆ ☆ ☆

MUSIC

Freedom

by Neil Young *(Reprise)*

As the 1960s dinosaurs shake their weary limbs around the lucrative US stadium-circuit – the Who, the Stones, Clapton, Dylan – 'rock' music seems almost back to square one. The legacy of punk is long ago discarded and it is now much longer since the high summer of the Sex Pistols than it was then from the Summer of Love when these artists were at (or already past) their peaks.

Either way, Neil Young stands apart. The 1980s hasn't been an entirely happy time for him, as any comparison of his recent work with the seminal *Decade* (a self-aware retrospective of his 1960s and 1970s work) would bear witness. But through it all, through his flirtations with electronics and heavy metal, high-school pop and (unbelievably) born-again Reaganism, he has at least remained interesting and open to change.

For those who have kept the faith, **Freedom** is the ultimate vindication. The album is wonderfully diverse, incorporating winsome love duets, elliptical epics and some quite savage guitar. But wherever he treads he walks on smiling – there is a consistency here not found since 1979's over-rated *Rust Never Sleeps*. Lyrically it is often opaque. But like the reborn Lou Reed, he is animated by drugs and inner-city decay – and he quotes George Bush's promise of gentler America, 'a thousand points of light', with the bitterest irony.

Politics ☆ ☆ ☆
Entertainment ☆ ☆ ☆ ☆ ☆

Reviews editor : Chris Brazier

STAR RATING

Excellent	☆☆☆☆☆
Very good	☆☆☆☆
Good	☆☆☆
Fair	☆☆
Poor	☆

CLASSIC

Oliver Twist

... being the book that raged at Victorian values

A FRIEND of mine once had to represent his grandmother, whom he looked after, in a series of appeals against the pittance she received as a social-welfare payment from the State. Struggling to wade through a maze of regulation, he was alternately humiliated, patronized and bullied at the hearings by the Chair, a local solicitor, until he happened to re-read **Oliver Twist**. Oliver asking for more than the allotted gruel – and the Workhouse Board's astonishment at such wicked presumption – suddenly seemed very far from mawkish melodrama. At the next hearing he took the book with him and casually left it open at the famous Cruikshank illustration (in full view of the Tribunal). He said it helped put things into historical perspective.

The famous workhouse scene forms part of a sustained satire, in the first half of the book, on the insane cruelty of the system set up to put into practice the 1834 New Poor Law. The law itself had in turn been inspired by an influential theory of the time called Utilitarianism which held that individuals seek the Greatest Happiness possible and that governments should confine themselves to promoting this.

Dickens is, in fact, palpably beside himself with rage in those passages, written in 1836, which describe Oliver's treatment as a pauper, and analyze the thinking behind it. They contain astonishing tirades of sarcasm. The Guardians, being 'very sage, deep philosophers,' have 'established the rule that all poor people should have the alternative (for they would compel nobody, not they), of being starved by a gradual process in the house, or a quick one out of it.' Even the orphans, like Oliver, are duly starved as those contracted to rear them pocket their share of what little cash is apportioned for food.

Dickens had been a Parliamentary reporter, and as such had heard cant like this at first-hand. But as 'Boz', he had become at the age of 25 a national sensation with *The Pickwick Papers*, in which glimpses of a darker England briefly disturb a nostalgic stage-coach Merrie one. Today's best-sellers stick with a winning formula, and no doubt the publishers falling over each other to sign the extremely profitable young author expected likewise. Instead, while still finishing *Pickwick*, he began **Oliver Twist**, perhaps the most scathing invective about Governmental policy on poverty and its effects since Swift's *Modest Proposal*. Turning to a very different England from Dingley Dell – one which he was constantly exploring during long nocturnal rambles – he consciously set out to rub the noses of the English in the sewage of their cholera-infested slums (and when he describes Fagin creeping through the 'filth' swimming in the Spitalfields streets, he is talking about human shit).

Oliver's upbringing and apprenticeship come down to saving cash. Behind the New Poor Law humbug about promoting thrift and independence was the reality that the whole edifice was erected by Parliament simply to save cash (and succeeded: within two years the budget was halved). Oliver himself is a bit too much of a paragon, but he does embody the system's insane cruelty towards even the *children* of the destitute – indeed their suffering is held up as an example, a stern homily against improvidence. Here, as in the depiction of the underworld later in the book, the details were well-researched and were meant to shock. The attitudes that parish officers, workhouse-board members and magistrates express had their real equivalents and 'philosophers' of the Parliamentary Commission quite fulsomely outdid their fictional counterparts in fanaticism.

In the England of *Oliver Twist* the result of such scientifically planned institutional misery is that the greater happiness Oliver, Dodger, Nancy and the other children have consequently gravitated to is the excitement and (qualified) comradeship of Fagin's academy of crime. Fagin's devilry consists in providing his 'dears' with an appearance of security and concern, and a corrupt 'education' in self-help – i.e. helping themselves to gold watches – that contrasts with the coldness of officialdom. In reality, his philosophy is that of Number One. Like those of the workhouse, some of his victims, like the gutsy 16-year-old prostitute Nancy, will never survive their childhood.

Victorian values are in vogue in Britain again. The achievements of the Victorians *were* remarkable but there was a price to pay in human terms. Dickens saw this from the start; and if we are to resuscitate those values, we would also be well advised to revisit books like *Oliver Twist*. And it has a wider message than this. The fashion may be for putting people into institutions as in 1834, or for turfing them out of them, as in 1989. But all governments, in their enthusiasm for philosophical flavours of the month (especially cost-cutting ones), have a habit of overlooking what Orwell, writing on Dickens, called simply behaving decently – they forget that it is human beings whose lives they are experimenting with.

Jacob O'Callaghan

Oliver Twist by Charles Dickens.

Bahamas

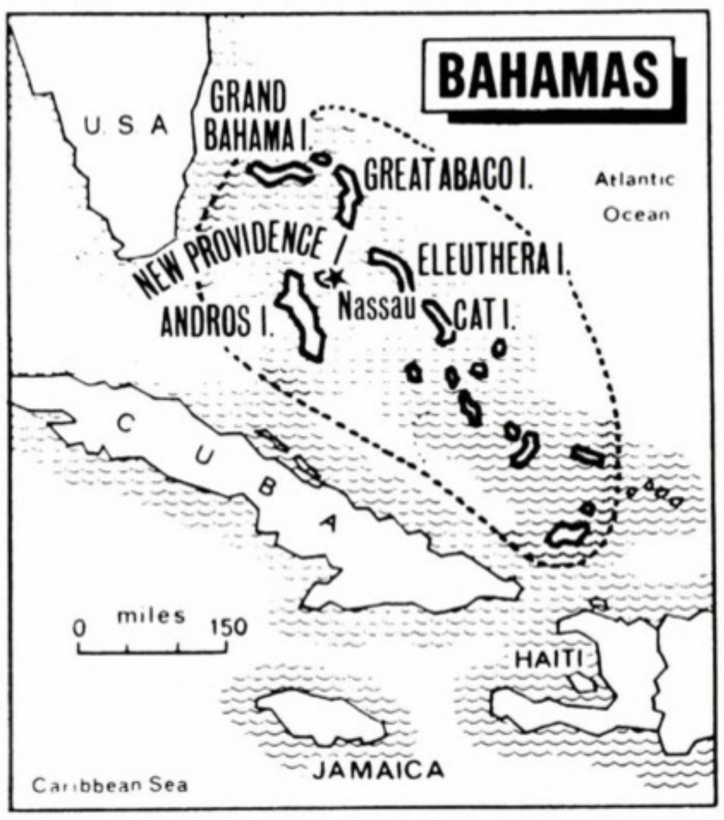
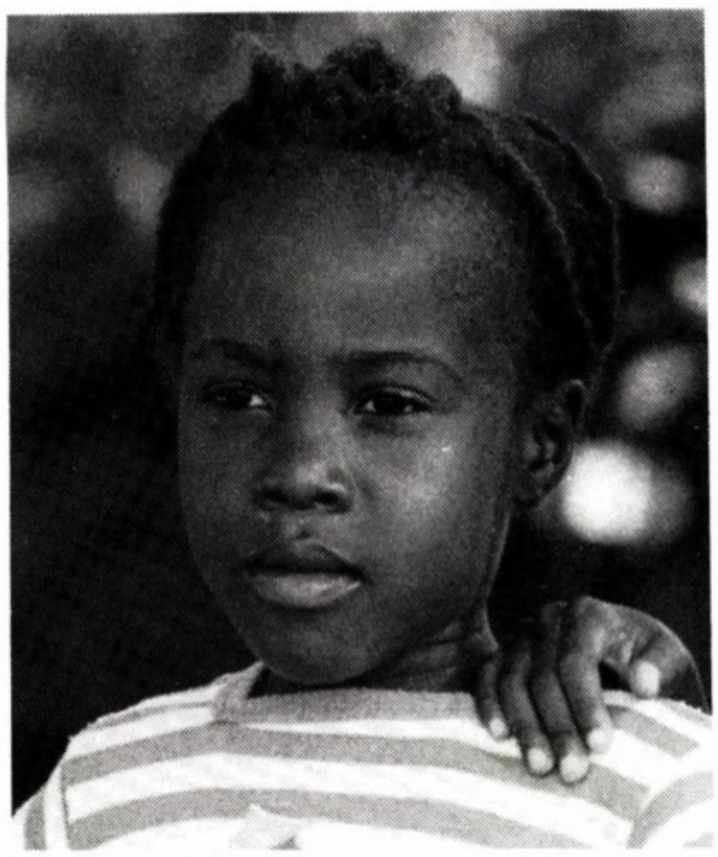


Photo : Philip Wolmuth

Leader Head of state Queen Elizabeth II of the UK. Prime Minister Sir Lynden Pindling
Economy GNP per capita $10,280 (US $18,530)
Monetary unit: Bahamian dollar
Tourism and off-shore finance are main income earners. Exports include petroleum products, pharmaceuticals, rum and cosmetics. Imports are crude oil, machinery and foodstuffs. Only three per cent of the land is cultivated but virtual self-sufficiency in poultry, meat, eggs, fruit and vegetables. Limes, pineapples and avocados are among agricultural exports.
People 254,000
Health Infant mortality figure not available
Culture A member of the Commonwealth, Bahamas was formerly a British sugar-producing island using slave labour. Blacks are the majority of the population; whites make up only 10-15 per cent but control some 90 per cent of the wealth.
Religion: Officially Christianity
Language: Official language is English.

Sources: World Bank Report 1989, Latin America & Caribbean Review 1988.



IN the 1920s, the time of Prohibition in the United States, the Bahamas became a haven for liquor smugglers and bootleggers. Following in their wake came the good-timers and a tourist trade which went on to be one of the most successful in the developing world. Yet by the 1980s this Caribbean archipelago was once more prey to drug smugglers.

This time round it was narcotics and on a far greater scale since the peddlers enjoyed official protection, albeit at a price. The corruption extended to the highest levels. Prime Minister Lynden Pindling, himself openly accused, was finally forced by the US in 1987 to curb the trade and agree to joint Bahamian-American coastguard action.

But there was another reason for action, that of drug addiction in the Bahamas itself, which had assumed epidemic proportions. This alarming development had been officially ignored as it appeared that addiction was confined mainly to the Haitian immigrants living on the outskirts of the capital, Nassau – well away from the tourist areas and Bay Street, the affluent commercial centre. But when addiction spread into Bahamian youth, it could no longer be ignored.

Pindling, nicknamed 'Black Moses' for his stand against the 'Bay Street Boys' (the white establishment) greatly resented US pressure and only half-heartedly purged his government. He turned the US involvement into a campaign issue in the 1987 election and was swept back to power, restoring to office several of those he had purged.

At the same time, Pindling resisted pressure to break the strict confidentiality laws that protect the well-established off-shore finance industry. There was no doubt that some of those 400 or so institutions were used by organized crime, both North and South American, to 'launder' the proceeds of their illicit dealing. As a result some business was lost to other Caribbean offshore centers which had complied with US pressure to permit inspection. Some international financial corporations were anxious to distance themselves from the increasingly bad image of the Bahamas.

The Bahamian image problem – crime, drugs and declining standards – has also hit tourism. This and the sharply decreased income from the drug trade have forced an economic downturn – which in turn has sharpened the focus on the poor distribution of wealth between black and white.

But although the question of race will remain, few want to make it into a bigger issue. They know that if they did, the Bahamas' dependence on tourism and off-shore finance would become all too apparent. Sun-seekers and bankers would vote with their feet and take their money bags with them.

Tony Thorndike

At a glance

***** Excellent
**** Good
*** Fair
** Poor
* Appalling

INCOME DISTRIBUTION
**

Wide disparity between white and black

SELF-RELIANCE
**

Limited agricultural base but some fishing

POSITION OF WOMEN
***

Generally good except for Haitian immigrant women

POLITICS

Power rests with governor-general (on behalf of sovereign) who is advised by cabinet headed by Prime Minister.

LITERACY
****

Figure n/a High except for Haitian immigrants

FREEDOM
****

Liberal regime

LIFE EXPECTANCY
****

65 years (*US 75 years*)

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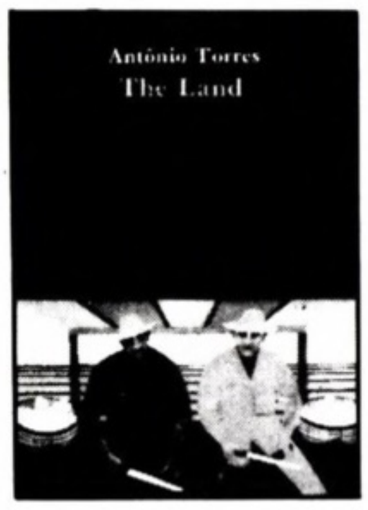

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'Tears at you like an early Buñuel movie' *The Observer*
'Lyrically haunting' *Punch*

The Ship of Fools (054) by Cristina Peri Rossi, **Uruguay**
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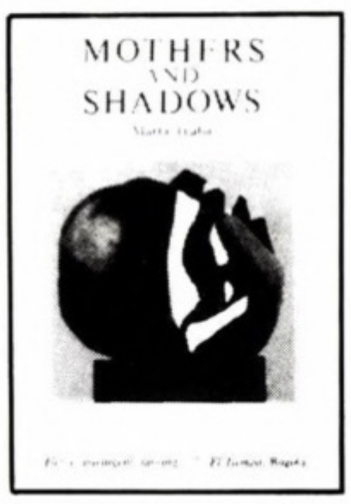

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'Remarkable contribution to new writing by women in Latin America' *Village Voice*

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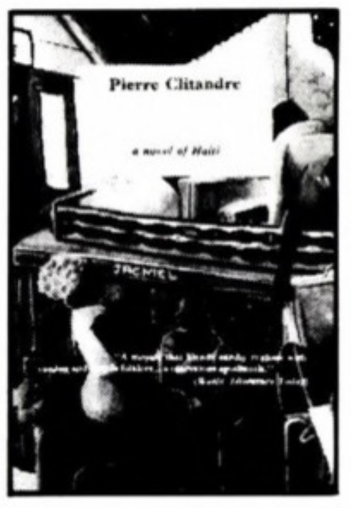

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